DEC 2 1941

THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

November 1, 1941

Close Down the Nazi Propaganda Bureau!

An Editorial

China Cannot Lose

BY W. H. DONALD

Japan-Soviet Border Clash

Vladivostok Crossed Out

AN EDITORIAL

Puppets Seek to Win the Southwest as Japan Prepares New Attack

VOLUME 98 PRICE ONE DOLLAR (in China) NUMBER 9

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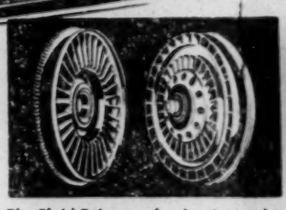

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What People Are Saying

Comments from readers on current topics are cordially invited; their opinions, however, do not necessarily represent the views of *The China Weekly Review.*

HUNAN VICTORY

To the Editor:

Following the anniversary on October 1 of the establishment of the provisional capital at Chungking, the people here had something else to celebrate—the victory of Chinese troops in northern Hunan. Slogans were seen on the walls, the national flag was hoisted, and firecrackers sputtered everywhere.

The victory at Changsha shows not only that our Hunan capital is intact, but that China's forces of resistance are growing stronger.

The Japanese claimed that they had occupied Changsha and invited foreign journalists to fly there to satisfy themselves of the veracity of this claim. But the journalists did not enter the city, they just flew over it. Why? Because Changsha was in Chinese hands.

Instead of being able to occupy Changsha, the Japanese troops were annihilated and driven back to their bases farther north. Japanese propaganda tried to cover up this fact by explaining that they withdrew from Changsha after they had accomplished their purpose there. The fact is that they are unable to occupy a single city in China today and no reliance can be placed on their claims.

Now, British and American lieutenants and some foreign journalists have been invited by the Chungking government to visit Changsha. They have reached the Hunan capital and will doubtless supply the public with true stories pretty soon.

MU WEN-FU.

Chungking, October 9, 1941.

Editor's Note:—There is no doubt whatever that Japanese troops did actually enter Changsha in the recent campaign. This fact is not altered in the least by the further fact that they subsequently withdrew. Japanese military reports are often unreliable, but Chinese military reports are often little better. It is difficult to understand why Chinese should insist on denying that Japanese troops entered Changsha, thereby destroying the credibility of all their military dispatches.

THRIFT STAMPS

To the Editor:

I noticed in a letter in a recent issue of **The Review** some discussions on new stamps which are not valid for posting letters. This new issue in question—the national thrift movement and reconstruction issue—was first put out in Chungking late in June this year. A full set consists of stamps in six denominations—$1, 50 cts., 33 cts., 28 cts., 21 cts. and 8 cts. These stamps are good for posting any kind of mail matter in Free China (to any place) but are not valid in occupied parts of the country. Hence in Shanghai these stamps are only sold at the philatelist division of the post office and are meant for stamp collectors only.

FRANK TAO.

Chungking October 15, 1941.

MUSHROOM BANKS

To the Editor:

It is worthy of note that numerous new Chinese modern and "native" banks have been established in Shanghai in recent months and there is skepticism in banking circles concerning the nature of these new institutions. It is an indisputable fact that some of the banks in Shanghai are doing a flourishing business due largely to their increased deposits, which they are using for speculation on the Exchange Market and hoarding of commodities. Others are sensible and partriotic and refrain from profiteering and so far are still able to reap imposing profits by carrying on inward and outward bills transactions. Nevertheless, since the enforcement of the freezing decrees, banks which made a business of exchange have been badly hit and their business has been greatly curtailed.

In view of the easiness of the local money market and the ever-increasing running expenses, most of the banks are taking steps to decrease their interest on deposits; some even refuse to accept new accounts. Adoption of such measures is due, in the main, to an overflow of cash deposits and lack of adequate outlets for funds. Although there is a clamor for investment in Free China by Government leaders, very few banks have responded. A majority of them are following a wait-and-see policy.

Coveting the good profits earned by a number of banks, new banks are springing up like mushrooms. Among the banking institutions established of late, some are incorporated under banking regulations and duly registered with the Ministry of Finance in Chungking, but others are illegally operated without having complied with the Banking Ordinance, being registered with an unrecognized Government. They extend loans to commercial firms, secured on vital necessities, thus giving indirectly a helping hand to unscrupulous merchants who are hoarding commodities. Therefore there is little or no likelihood that there will be any sizeable drop in the prices of commodities so long as these banks extend loans against such security. It is regrettable that the National Government is not in a position to curb such illicit transactions. We may be sure, however, that these new

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banks are doomed to fail in the not distant future.

ALFRED WANG

Shanghai, Oct. 25, 1941

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Metropolitan Land "A"	—	19.30
Metropolitan Land "B"	—	19.30
Shanghai Land	30¾	31
Shanghai Dockyards	56½	57
Shanghai & Hongkew Wharf	735	—
Wheelocks	158	159
Shanghai Gas Co.	22	22½
Shanghai Telephone	43	45
Shanghai Waterworks "A"	—	—
China Imp. & Exp. Lumber...	115	116
Ewo Breweries	13.40	13.50
Metal Ind. of China	54½	55
Shanghai Exploration	58	59
Cottons		
Ewo Mills	64	64½
China Textile	13.80	—
Shanghai Cotton	390	—
China Cotton	19.90	—

AMERICAN STOCK AND COMMODITY QUOTATIONS

October 30, 1941

STOCKS	
Amer. Locomotive	11¼
Amer. Waterworks	3¼
Anaconda Copper	26¼
Bethlehem Steel	62⅝
Chrysler	56
Elec. Bond & Sh.	1½
Gen. Motors	38¾
Goodyear T. & R.	18
Gt. Nthrn. R'y., pfd.	24⅛
Lockheed Aircraft	27⅞
Mont. Ward	30¼
N. Y. Central	10¾
Texas Corp	44¼
U. S. Steel	52⅞
COMMODITIES	
New York Cotton, Oct.	16.17/18
New York Rubber, Dec.	22.50B
New York Hides, Dec.	14.71
Chicago Wheat, Dec.	114⅝/¾
Chicago Corn, Dec.	76⅝/¾
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VLADIVOSTOK CROSSED OUT AS PORT OF SUPPLY

QUITE a stir was caused late last week when the U.S. Maritime Commission announced that the Soviet Pacific port of Vladivostok was being abandoned by the United States as a point of entry for American war supplies going to the U.S.S.R. and that henceforth the port of Archangel, on the White Sea, would be employed for this purpose.

In a statement on the subject, the Commission said that the increasing volume of shipments to Russia required use of more ports. The Boston-Archangel route, it was also stated, was more direct and would make possible quicker deliveries.

When, as was inevitable, the announced abandonment of Vladivostok was widely interpreted as a gesture of appeasement toward Japan, the Commission sought to correct this impression through the news agencies. *Reuters* reported from Washington on Oct. 25 that the Commission's statement "was apparently hurriedly and inexpertly drawn up. It should have read that all cargoes crossing the Atlantic would leave Boston for Archangel, and not all cargoes for Russia." And the Commission explained that the port of Vladivostok would continue to be used to send materials to Soviet Russia which did not strictly come within the category of war supplies.

Incidentally, the Commission came in for considerable criticism for "gratuitously handing the German Navy useful information."

Secretary of State Cordell Hull declared that Japanese-American relations were in no way involved in the decision to send war supplies to Archangel instead of to Vladivostok.

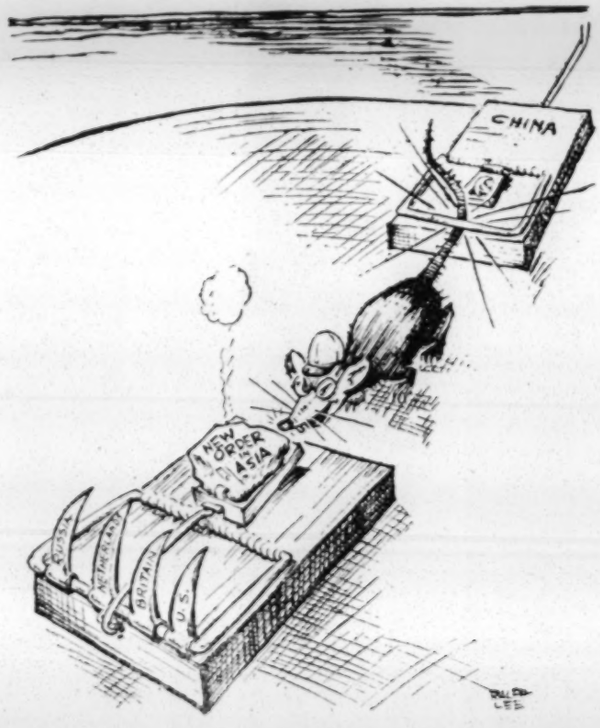
In some quarters it was predicted that Japan was sure to hail the Commission's announcement as a diplomatic victory for Dai Nippon. Yet nothing of the kind has happened. Mr. Koh Ishii, deputy spokesman of the Cabinet Information Board in Tokyo, told his press conference on Oct. 24 that "if true, I should say that we are satisfied. It is a very good thing for every country concerned." The Japanese newspapers did not comment at all, although they raised a terrific furore a few weeks ago when it was first decided to send American petroleum supplies to Vladivostok. Their silence now that Vladivostok is being abandoned to the ice, suggests that the Gaimusho forbade them to do any crowing in view of the delicate state of Japanese-American relations.

•

All indications point to the conclusion that the switch to Archangel was due to factors of a technical nature rather than to political considerations. The possibility remains, of course, that it was designed to kill two birds with one stone—to get supplies to Russia faster and at the same time to make a slight concession to Japan.

Messrs Drew Pearson and Robert Allen, authors of the famous "Washington Merry-go-Round" column, wrote on Oct. 23 that White House advisers had noticed a significant change in President Roosevelt's attitude during the current tension with Japan. The President, they said, appeared to be putting the brakes on bellicose talk concerning the Far East, "which is in striking contrast to his cocksure attitude vis-a-vis Japan a year ago." (*Domei* version.)

Be Careful, Tokyo!



The Portland Oregonian.

The writers were said to have attributed the change to "cautious advice given the President last week by Admiral Harold R. Stark, Chief of Naval Operations, who, backed up by the State Department, painted a pessimistic picture of the United States naval position in the Pacific, arguing that the United States was weakened because its fleet was now scattered over two oceans."

The Pearson and Allen contention that the President was curbing "bellicose talk" concerning the Far East was quite rudely upset on Oct. 24, the day after it was published, when two highly bellicose statements were made—one of Colonel Frank Knox, Secretary of the Navy, and the other by Admiral Harry E. Yarnell, former Commander-in-Chief of the U.S. Asiatic Fleet, now retired.

Speaking to a group of naval munitions manufacturers, Colonel Knox said that "a collision in the Far East is virtually inevitable" if the Japanese continue with their expansionist plans. "The situation in the Far East is extremely strained," he said, adding: "We are satisfied in our own minds that the Japanese have no intention of giving up their plans for expansion." He did not say between whom the "inevitable collision" would take place, but the inference was plain.

Admiral Yarnell, during a radio debate, asserted that "entry of the United States into this Second World War is inevitable. Both Germany and Japan must be defeated in their avowed intention of dominating the world by the sword and enslaving its peoples."

The statement by Colonel Knox drew widespread comment in Japan. Unofficial circles in Tokyo denounced his utterances as detrimental to Japanese-American negotiations, while the Cabinet Information Board said that Colonel Knox's remarks were "unfortunate when Japanese and American negotiations are going on and are contradictory to the spirit of such negotiations."

What's Keeping Him Up?

The New York Times.

The Tokyo *Yomiuri* said "Colonel Knox's challenging statement must be appraised in the light of Japanese-American relations as a wild and irresponsible outburst" and declared that responsibility for any reactions it might cause would rest solely with the United States. According to the *Kokumin* and the *Chugai Shogyo*, Colonel Knox's remark was a "bluff" in keeping with his earlier declarations. Nevertheless, the paper said, "Japan must take notice of this evidence of widespread sentiment for war in the United States, and proceed to the last with the fulfillment of the fixed national policy."

The press of Britain, *Reuters* reported, viewed Colonel Knox's statement as denoting the end of appeasement by the United States. The *Yorkshire Post* (with which Foreign Secretary Anthony Eden is connected) said in an editorial: "No doubt the somewhat vague word 'collision' was chosen deliberately (by Colonel Knox) and it would be mischievous to twist the statement into a definite declaration that war would follow certain actions by Japan," adding, however, that "Japan will promote her own interests best by avoiding collisions."

Is appeasement really at an end? The New York correspondent of the *Yomiuri* doesn't think so, according to a *Domei* report on Oct. 25. The correspondent told his paper that basic American policy in the Far East was unchanged, but that the difficulties which would attend a two-ocean war and uncertainty as to the course which the new Tojo cabinet would follow, "are causing Washington to attach importance to the Japanese-American negotiations and to adopt a policy of partial appeasement toward Japan."

The correspondent added that depite explanations by the leaders of the Administration, the American public regarded the decision to stop shipments of American war supplies to Vladivostok "as a positive expression of appeasement toward Japan."

Japan, of course, would like to be "appeased" by the United States and the foregoing assertion would appear to be just a piece of wishful thinking. But one can never be sure of anything in this swiftly changing world. Only one thing is sure, and that is that nothing is sure.

The local Japanese Army organ, *Tairiku Shimpo*, enlivened the current discussions on the Pacific crisis by introducing a novel view of the situation on Oct. 23. The paper charged that the United States, China and Britain, since the advent of the Tojo cabinet, have been "systematically trying to bring about a conflict between Japan and the Soviet Union . . . because they wish to divert to the North any possible Japanese thrust." Intent on saving their own southern interests, the trio of countries are prepared to sell Soviet Russia down the river, the paper declared.

Supporting this argument, the *Tairiku* pointed out how the Chungking press, copying propaganda from Washington and London, is constantly arguing that the fall of Moscow would present Japan with a golden opportunity to march northward and that Japan would have to dispose of Vladivostok before launching a push southward.

But Japan, presumably, is not going to fall into the cunning Washington-London-Chungking trap. Or is she?

White Russian General Kills Himself When Sought by Police

General Ivan Constantinovich Mrachkovsky, 45-year-old "white" Russian military expert, shot and killed himself on Oct. 25 in his apartment on Route Lafayette when the French Concession police were about to question him in connection with the operation of a clandestine radio station at 19 Route Tenant de La Tour.

General Mrachkovsky was in active Chinese military service during the Sino-Japanese hostilities at Shanghai in 1932 as well as in 1937. But his connection with Gen. Chiang Kai-shek was believed to have been discontinued about eight months ago. It was thought possible that he had worked for some private Chungking group here during the past few months.

A Chinese wireless operator, who had been previously arrested by French police, allegedly revealed that the station was under the control of a Russian. Detectives of the French Concession police proceeded to Gen. Mrachkovsky's apartment for an inquiry. However, the moment Gen. Mrachkovsky sighted the French detectives he fired one shot at his temple in the presence of his wife and his two young children, according to a French police official.

Following his suicide, the Settlement police and the Japanese gendarmerie effected the arrest of another four Chinese wireless operators allegedly connected with Gen. Mrachkovsky's secret radio station.

Gen. Mrachkovsky assisted Gen Chiang Kai-shek's 88th Division when it supported the 19th Route Army during the Chinese defense of Chapei and Kiangwan against the Japanese in the spring of 1932.

During the 1937 Sino-Japanese hostilities, he was in active command at Chenju of a Chinese armored train which played an important part in shelling the North Station and Chapei to cover the Chinese retreat.

He returned to Shanghai two years ago following his remarriage, his first wife, by whom he had two children, having died in South China.

Gen. Mrachkovsky was a Chinese subject. Coming to China from Siberia in 1926, he joined the army of General Chang Chung-chang, a notorious northern militarist. The year 1928 found him in full charge of all military trains in North China.

The following year he joined Gen. Chiang Kai-shek and was appointed a general in the Chinese Nationalist Army.

Nazi Propaganda Bureau in Park Hotel Should Be Closed Without Delay

THE authorities of the International Settlement and the U.S. Marine Corps should take steps immediately to close the German Nazi propaganda bureau, located on the 16th floor of the Park Hotel, 164 Bubbling Well Road, opposite the Race Course. We give the location of the well-known Chinese-owned hostelry because it is within the Marine defense sector, hence the American defense force obviously has the right to take action and should do without delay.

Recently, Col. S. L. Howard, Commander of the Marines, issued instructions to the men to be on their guard against acts of terrorism in the Marine defense sector and to take steps to suppress such acts whether on or off duty.

The reason for the suggestion that the German Nazi propaganda bureau at the Park Hotel should be closed is that it probably is the worst terrorist organization in the city, with the possible exception of the Nanking gangster hangout at No. 76 Jessfield Road.

The distribution of tens of thousands of anti-Jewish leaflets from the Nazi propaganda offices in the Park Hotel on Sunday afternoon, Oct. 26, was, obviously, one of the worst cases of terrorism yet perpetrated here, for it was designed to stir up racial animosities in this international community, which heretofore has been free of such evidences of barbarism as now prevail in Hitler's Germany. Since the Japanese military organ in Hongkew printed, on the same day, a somewhat similar attack on Jews here and elsewhere, the indications are that it is part of a general campaign to introduce into this city an issue that had much to do with precipitating the war in Europe.

The anti-Jewish circular, purposely printed in illiterate fashion to dispel suspicion that it was the work of the Nazi Propaganda Bureau in the Park Hotel (although it was distributed from the windows of the hotel) declared that a Nazi victory "was in sight, but Jewish war-mongers still hope to strangle the Axis Powers by financial and economic warfare." Continuing, the printed text said "everybody was aware of Jewish commercial ability and unity over the world, hence it was the duty of Aryans to launch an economic war against Jewish commerce in Shanghai and elsewhere, the reason being that money spent in Jewish commercial establishments is converted into bombs to be turned against those who are fighting for world liberation from the Jewish yoke." The circular was signed, "ARYAN UNION" (actually signed, Arian's Union).

The attack on Jews in the *Sin Shun Pao*, organ of the Japanese Army, printed in Chinese, charged Jewish traders and brokers with responsibility for the "maneuvering of commodity and share prices." The editorial said that it did not refer to the Jews who hang about street corners begging for alms, but "those who own sizable fortunes . . . . due to manipulation by wealthy Jews in Shanghai, the black market for drafts and gold increased considerably, causing prices to soar incessantly . . . . although the war crisis in the interior had some effect, the Jews play a prominent part in Shanghai's black market . . . . . Jews expelled from Europe came here as refugees . . . . the authorities should take measures against the unlawful acts of the Jews . . . the Jews with sizable amounts of wealth who indulge in the monopoly of the commodity market."

The Nazi circulars were distributed in the high wind and were blown across the street on to the Race Course where a football game was a progress between the local Jewish Recreation Club and the Club Lusitano, a Portuguese organization.

The German *Transocean* service on Oct. 29 quoted "well informed quarters" as denying that the anti-Jewish circulars were distributed from "Axis Quarters in the Hotel," and the hotel management also alleged the circulars were not distributed by guests (Nazis), but were brought in by outsiders. It also was alleged similar circulars were distributed on Ave. Joffre and Ave. Edward VII but this was denied.

The *China Press* was the only English-language paper in Shanghai to denounce the Nazi action, which it did to the following effect:

Local Nazi Propaganda

Illustration from a recent circular distributed by the Nazi propaganda headquarters here, showing Roosevelt and Churchill fishing. Roosevelt has hooked a piece of paper labeled, "Wilson's Fourteen Points," which prompted Churchill to remark, "What a Good Catch!" The reference was to the Roosevelt-Churchill Eight-point Declaration, which was described as "another attempt to deceive the world."

"Not content with having persecuted Jews in Germany and in the occupied countries of Europe, Axis supporters are now doing their best to raise the issue here in Shanghai in order to prejudice the community against the many thousands of Jewish refugees that have established themselves here. On Sunday, thousands of anti-Jewish pamphlets were flung from a window on an upper floor of the Park Hotel and on the same day a local organ of the Japanese Army accused the Jews of being responsible for fluctuations on the black market, affecting the prices of commodities.

"No race can claim to be immune from the profit motive in the conduct of the economies of daily life—not even Nazi Germans and Japanese Army officers. It is quite possible that some individual Jews have sought to profit unfairly in connection with the present situation in Shanghai, resulting from the war, and there could be no objection to disciplining the guilty parties provided it is done as a part of a program to discipline all war profiteers regardless of race or nationality. The emphasis, however, should be on the fact that the offending individual is a profiteer and not on his racial origin.

"The extreme form in which Nazi persecution of the Jews has occurred reflects neither honor nor credit upon modern Germany. The sadistic practices of the Nazis in dealing with the Jews and other persecuted races should be a warning to all Orientals of what to expect from a successful Germany but, instead of accepting the most obvious facts at their face value, the Japanese militarists lately seem to have joined up with the Nazis even in their most objectionable practices. One would imagine that the Japanese Army is taking seriously the contemptuous Nazi designation of themselves as 'honorary Aryans.'

"If the Nazi Germans wish to continue their persecution of the Jews to their own dishonor and discredit

in other countries, that is their privilege so far as Germany herself is concerned, though it might be well if they put a curb upon themselves elsewhere, including Shanghai. But Orientals should not be guilty of playing the Nazi game in this respect for to do so suggests nothing less than a stupid disregard of their own interests. It should not be forgotten that no Asiatic race is classified as Aryan in the terminology of Nazi racial bigots.

"Shanghai is an international city in which many races have lived, for the most part, in peace and harmony. It has been a sanctuary and a place of refuge and has no sympathy for a persecution of a racial minority of the community at the behest of the conceited, bigoted and arrogant Nazis. It is truly amazing that even the Japanese Army, despite its desperate anxiety to profit by its Axis connections, should have lent themselves to that particularly atrocious Nazi scheme. It suggests a lack of racial self-respect."

In view of the dangers involved, the authorities should not hesitate to take energetic action immediately to scotch this Nazi serpent before it emerges from its lair in the Park Hotel. Nazi activity at the Park Hotel has long been notorious and the subject of discussion, but up to the distribution of the anti-Jewish circulars there had been no action to arouse the apprehension of the public, although the police authorities and Allied intelligence services were fully aware of what was going on.

There have been several references in these columns to Nazi activities in Japan, where certain vital organs of the Government are now controlled by Nazi "experts" sent to the Far East by Hitler. Recently there has been unmistakable evidence of an extension of Nazi plans to include the puppet governments, which the Japanese have set up in territory occupied by their forces. The recent Nazi action in appointing Heinrich Stahmer as Ambassador to Nanking and Capt. Fritz Wiedemann as Consul-General at Tientsin, constitutes unmistakable evidence of German plans for activities here.

Heretofore the city of Shanghai, made up of all races and nationalities, has escaped the horrors of racial clashes which have cursed other less civilized places. The city has served as a place of refuge for persons of all colors, political and religious beliefs and generally the various racial and national groups have lived together here in comparative peace and happiness and with a reasonable measure of prosperity. The suggestion implied in the vicious Nazi circular that the unfortunate Jewish refugees who were hounded out of Germany are to be followed up and the persecution repeated by the local Nazis or by the Japanese under Nazi direction, is so revolting that intelligent persons should take immediate steps to prevent it.

Soviet Russia's Huge Losses; Goebbels Calls Hitler a Liar

Soviet Russian losses in men and war material since the outbreak of hostilities on the eastern front on June 22 of this year are known to be considerable. It is generally believed that Russian casualties have been greater than the German. What about Russia's territorial and economic losses?

The first rough estimates in these categories were contained in a German *Transocean* report from Berlin on October 24 and make interesting reading even allowing for the element of exaggeration.

German troops, said the report, have occupied more than 1,500,000 square kilometers of Soviet territory, or an area three times greater than Germany itself. Economically, the Soviets have lost: 70 per cent of their anthracite and lignite coal production, 85 per cent of their iron production, 98 per cent of their manganese ore production.

They have also lost 84 per cent of their copper production in European Russia, 50 per cent of their tin production, 95 per cent of their nickel production, 75 per cent of their bauxite production, 80 per cent of their aluminum production and 85 per cent of their sulphur production.

By these losses, the report asserted, the economic backbone of the Soviet Union has been broken and its economic power smashed—"Neither by its own initiative nor by any foreign help can the Soviet Union ever hope to make up these huge losses."

The day this report appeared, Dr. Joseph Goebbels, Nazi Propaganda Minister, published an article in the *Voelkischer Beobachter* in which he said: "After a survey of the situation, we must come to the conclusion that a German victory is definitely certain. When victory will fall into our hands, no one knows; but we are definitely certain that victory will be won. It does not matter at all whether we adhere to a scheduled date which the British have again and again been setting for us. We are winning the war according to plans and we don't intend to lose it according to British prescriptions."

If Hitler Decides on a "Shooting" War

The Chicago Daily News.

Dr. Goebbels revealed for the first time that Germany had planned an attack on the Soviet Union from the very commencement of the European war, as the following passage from his article shows:

"In our view, it was by no means a mistake to beat Poland, then to make a pause during the winter (of 1939-40) in order to take a deep breath, then to drive the British from Norway, to liquidate France and win the coast for operations against Britain, to mop up south-eastern Europe, and then to break the military power of Soviet Russia in order to remove the threat to our rear so that we might strike at Britain. Such operations require perhaps more time than some people with fanciful imagination believe, but the procedure is dead sure."

Hitler is thus called a liar out of the mouth of Goebbels, for the Fuehrer on June 22 of this year, when he launched his armies against the Soviet frontier, declared that he was attacking Russia only because that country was planning to attack Germany. In reality, as Dr. Goebbels now confesses, Hitler intended to "break the military power of Soviet Russia" regardless of anything Russia did or did not do.

Navy Day Address

Roosevelt Calls on American Nation to Unite For the Destruction of Hitlerism

In a stirring address delivered over the radio on Monday of this week, Oct. 27, the occasion being "Navy and Total Defense Day," President Roosevelt summoned the American nation to unite into a single-willed, weapon-producing nation because "very simply, very bluntly we are pledged to pull our own oar in the destruction of Hitlerism." America's primary task, he declared, is to produce more and more arms for the men in Britain, Russia and China who are fighting against aggression—"and it is the nation's will that America shall deliver the goods."

The President meticulously refrained from any reference to Japan, concentrating all the barbs of his oratory against Hitler and Hitlerism.

In open defiance of the nation's will, he said, "our ships have been sunk and our sailors killed. I say we do not propose to take this lying down. Our determination not to take it lying down has been expressed in orders to the American Navy to shoot on sight. Those orders stand."

The United States, he went on to declare, "wished to avoid shooting, but shooting has started and history has recorded who fired the first shot. In the long run, however, all that will matter is who will have fired the last shot."

The President charged Chancellor Hitler with desiring to frighten the American people off the high seas and "force us into trembling retreat. This is not the first time he misjudged the American spirit—that spirit is now aroused." He declared that the Germans had drawn up a map of South America, dividing that continent into five vassal states under Nazi domination. German designs against Panama and the Panama Canal, he asserted, "make clear the Nazi design not only against South America but against the United States as well."

The President also claimed to have in his possession a detailed Nazi plan for the abolition of all existing religions and the establishment of an international Nazi church, in which the symbol of the cross would be replaced by the twin symbols of the swastika and the naked sword—"The God of Blood and Iron will take the place of the God of Love and Mercy."

Commenting on the equipment of the new United States Army, the President said that American soldiers were worthy of their proudest traditions, "but traditions cannot shoot down dive-bombers or destroy tanks. That is why we must and shall provide for every one of our soldiers the equipment and weapons—not merely good but better than those of any other army in the world. And we are doing that now." Output, he added, must not be hampered by the "selfish obstruction" of a small but dangerous minority of industrial managers and labor leaders.

Commenting on the "11 brave and loyal men of our navy killed by the Nazis" in the attack on the destroyer Kearney, Mr. Roosevelt declared that many American merchantmen have been sunk on the high seas, one American destroyer was attacked September 4 and another was attacked and hit September 17.

"If our national policy were dominated by fear of shooting, then all our ships and those of our sister republics would have to be tied up in harbors. Our Navy would have to respectfully—abjectly—remain behind any line Herr Hitler might decree on any ocean as his own dictated version of his own war zone.

"Naturally we reject it because for our own self-interest, our own self-respect, our own good faith, freedom of the seas is now, as it always has been, a fundamental policy of this Government," he declared.

The President said that the Nazi map of South America "makes clear the Nazi design not only against South America but the United States itself."

He conceded that the Axis press and radio would hotly deny "the grim truths I have told you" and also will "parade with applause" the protestations of a few Americans who "will continue to insist that Herr Hitler's plans need not worry us."

He asserted that the Nazis are seizing on such statements by Americans as proof of American disunity.

"The Nazis have made up their own list of modern American heroes," he declared. "Fortunately the list is short. I am glad it does not contain my name."

The President declared that "the forward march of Hitlerism can be stopped and will be stopped. Very

Summons Nation Against Hitlerism

The Chicago Daily News.

President Franklin Delano Roosevelt.

simply, very bluntly, we are pledged to pull our own oar in the destruction of Hitlerism.

"When we have helped to end the curse of Hitlerism we shall help establish the new peace which will give decent people everywhere a better chance to live and prosper in security, freedom and faith.

The President declared that the action by the House and Senate on revision of the Neutrality Act "is the course of honesty and realism.

"Our merchant ships must be armed to defend themselves against the rattlesnakes of the sea....they must be free to carry American goods into the harbors of our friends....They must be protected by the American navy.

"It can never be doubted that the goods will be delivered by this nation. The Navy believes in its traditional cry, 'Damn the torpedoes: full speed ahead'," he declared.

"Yump, Vy You Vait?

The New York Times.

President Roosevelt said that American output of war materials "cannot be hampered by the selfish obstruction of a small but dangerous minority of industrial managers who hold out for extra profits or 'business as usual.'

"It cannot be hampered by the selfish obstruction of a small but dangerous minority of labor leaders who are a menace to the true cause of labor itself, as well as the nation as a whole," he added.

The Navy, said the President, "is ready for action and indeed units in the Atlantic patrol are in action." He asserted that the Army was also steadily developing the strength needed to withstand the aggressors.

Mr. Roosevelt predicted that when Herr Hitler is compelled "to dig in" it will be the beginning of his downfall, "because a dictatorship of the Hitler type can live only by continuing victories and increasing conquests."

After recalling briefly the events of 1918 after the Russian collapse and the ultimate Allied victory, the President declared that "Russia's needs will continue and our help and British help will have to continue."

He then paid high tribute to the Russian army's fight against the Nazis.

"Upon American production," he continued, "falls the colossal task of equipping our own forces and helping to supply the British, Russians and Chinese. In performance of that task we do not dare to fail and will not fail."

He commented that it was not easy for Americans to adjust themselves "to the shocking realities of a world in which the principles of common humanity and decency are being mowed down by the Gestapo firing squads....

"There are those who say that our great, good fortune has betrayed us—we can not match the regimented masses who are trained in the Spartan ways of ruthless brutality ....those who say that know nothing of America or of American life.

"This land is great because it is a land of endless challenge....ours has been the story of vigorous challenges which have been accepted and overcome.... challenges of the uncharted seas, the forest, deserts, plains, raging floods, withering droughts, foreign tyranny, domestic strife, the staggering problems of social, economic and physical existence; we have come out of them the most powerful nation and the freest in all history.

"Today in the face of the newest and greatest challenge, we Americans have cleared our decks and taken our battle stations. We stand ready for the defense of our nation and the faith of our fathers to do what God has given us the power to see as our full duty."

Walsh Says Navy Not Ready

In a Navy Day address at Boston, reported by the Japanese agency Domei, Senator David I. Walsh, chairman of the Senate Naval Affairs Committee, declared that the U.S. Navy is not in a position to wage a foreign war. He reportedly said: "Our Navy and our Air Force are not designed, are not trained and are not ready to wage war effectively in foreign lands, and it is not within our power or means to create naval establishments in sufficient strength to police the entire world." But, he added, the United States has a navy which can keep the country safe from invasion and assure peace and prosperity for the people of the United States.

Admiral Thomas C. Hart, Commander-in-Chief of the U.S. Asiatic Fleet, in a Navy Day interview at Manila reported by United Press, expressed the view that "the situation in the Far East is not without hope for continued peace," but warned that the U.S. Navy must not slow down its work.

Deal in Oil Disrupts Axis Harmony

Mr. J. Duchrkopp, German manager of the firm of W. Niggemann and Company, filed a suit in the local Italian Consular Court against Mr. A. Badessi, an Italian, for CN$50,000, which Mr. Duchrkopp said was a balance due him in an oil deal—which apparently failed to produce any oil for anybody, not even the Japanese, who were stated to be the ultimate intended recipients of the precious fluid.

The story of the case appeared in *The North-China Daily News* on Tuesday of this week. The case was heard by Judge Comm. R. Rapex, sitting with Assessors Fumagalli and Comm. Bedoni, with Dr. Pero V. E. Terni appearing as attorney for the plaintiff. According to Dr. Terni, the parties entered into a contract wherein the Italian agreed to sell to the German 500,000 gallons of gasoline at $6.60 a gallon, with a proviso that $100,000 should be paid over immediately as bargain money. The full amount was to be paid over when delivery orders were issued for the oil, which allegedly was in a tanker belonging to Texas Oil Company, anchored at the Pootung installation. After some time had elapsed and no oil was forthcoming, Mr. Duchrkopp became impatient and sent one Hans Parge to interview Mr. H. A. Bieling, manager of Texas Company. Mr. Bieling said he never heard of the deal and furthermore there is no such stock of oil here anyway. Mr. Duchrkopp then set about recovering the bargain money and succeeded in collecting $50,000, leaving $50,000 still outstanding and the object of the suit.

It developed during the hearing that the transaction "wasn't actually a deal between members of the Axis," but between a Chinese and a Japanese. It appeared that the real seller was a Chinese, who apparently was not averse to making a little profit on an oil deal with the Japanese, providing it was insulated, so to speak, by the Axis. But the Chinese, according to the testimony, insisted that he be paid the entire amount of CN$3,300,000 before producing the delivery orders on the Texaco tanker. The plaintiff, Mr. Duchrkopp, insisted that the contract was "very plain," and called for the down payment $100,000 with the balance to be paid through the China and South Seas Bank against delivery of orders for the cargo. Dr. Terni, arguing for his client, said that he was entitled to have the full sum of the bargain money repaid. It also was pointed out by the Judge that under Italian law in certain circumstances, failure to carry out a contract to deliver goods might result in the other party recovering twice the amount of the deposit he had made.

Assessor Bedoni said, however, that the situation prevailing in China was "different from elsewhere and in consequence the defendant was entitled to some consideration."

Germans Stay Execution of Frenchmen Held as Hostages

One hundred Frenchmen, held as hostages by the Germans in occupied France, were to have been executed before firing squads on the night of October 23 as reprisal for the assassination of a German officer in Nantes and another in Bordeaux, but the commander-in-chief of the German army of occupation, General Heinrich von Stulpnagel, upon appeal by the Vichy government announced deferment of the executions "in order to enable the population to shed some light on the murders and, if possible, to find the murderers."

Hitler Encircled

British Noon Bulletin, Shanghai.

The temporary act of clemency came after 50 Frenchmen had already been shot as reprisal for the killing of the German officer in Nantes.

It was reported late last week that Marshal Henri Philippe Petain, head of the Vichy government, had offered himself as a hostage to the Germans with a view to halting acts of terrorism in occupied France and the resultant reprisals by the Germans. The reported offer followed a meeting of the Vichy cabinet at which the tense situation was thoroughly discussed. It has not been confirmed that Marshal Petain's alleged offer was either made or accepted.

General Charles de Gaulle, leader of the Free French, broadcasted a message from London, appealing to the French people to refrain from individual acts of terrorism against the Germans, since the latter are in a position to exact ten-fold revenge. French patriots, he said, should practice restraint and wait until opposition to the Nazis within France can be supplemented and supported by a powerful movement from without.

A report by the Free Greek government in London this week said that hundreds had been executed in Greece by the Italian army of occupation and that the country was seething with rebellion against the Axis.

Japanese Frustrated in Effort To Remove Chinese Dredger

As a result of a strike by the patriotic crew, the Japanese were unable to take Shanghai's largest dredger, named the "Reconstruction" *(Chien She)*, to Japan this week as contemplated. The Japanese at first tried to keep the removal of the dredger secret, but when the Chinese crew refused to sail it to Japan, the Japanese alleged they had "rented" it for use in deepening the harbor of a naval base. It was rumored that the Japanese intended to take the dredger to one of the new ports they are constructing on the upper Korean coast—Seishin, Rashin or Yuki—opposite Vladivostok.

When the Chinese crew refused to obtain passports for the trip to Japan, the Japanese dismissed the Russian captain and arrested two of the Chinese officers. But still the crew held out. As a result, the Japanese have been unable to remove the giant dredger from the harbor. The dredger was built in Germany prior to the outbreak of the war and was intended for use in deepening the entrance to the Yangtsze at Fairy Flats. The Germans sailed the giant digger to Shanghai and then trained the Chinese crew to operate it. Immediately after the outbreak of war in 1937, the Japanese seized the dredger and used it to develop some of their harbor projects at Woosung and elsewhere. When it was returned to the Whangpoo Conservancy Board last year, it was necessary for the Board to expend some $2,000,000 in making repairs, which recently were completed. The Japanese waited until the repairs had been completed and then seized the dredger again, but this time the crew, which has been in charge of the ship from the beginning, refused to cooperate with the Japanese in transporting it to Japan.

New Will and More Heirs Complicate Hardoon Estate

Mr. J. R. Jones, barrister-at-law, who announced that he represented several members of the family of the late Silas Hardoon, residing here and in Bagdad, filed a caveat with the British Supreme Court early this week concerning the disposition of the large estate left by the widow, Mrs. Liza Hardoon, who died recently. The caveat, a well recognized legal action, constitutes a form of warning to the Court not to dispose of the property before considering the claims of the clients represented by the attorney.

The original probate proceedings were filed by Mr. G. H. Wright of the law firm of Hansons, and by Mr. D. E. J. Abraham, well known member of the Jewish community here, asking that the will be probated. Messrs. Wright and Abraham had been named as administrators.

Aside from the foregoing, Mr. H. D. Rodger, an American attorney, appeared in the court as representative of Mr. Chi Cho-mi, Chinese compradore of the estate, who claimed that another will with the signature of the late Mrs. Hardoon and bearing the date of Sept. 30, 1937, had been found in the house. Under this will the compradore would be named as executor and also would be the recipient of some $4,000,000 worth of property belonging to the estate. Under this will it was claimed 90% of the late Mrs. Hardoon's property would go to her Chinese nephew and nieces, who had been adopted as her children. The will read as follows:

"I give $500,000 worth of property (according to 1937 S.M.C. assessments) for a fund to start a public school in the International Settlement of Shanghai for poor children.

"I desire to start an industrial factory to manufacture artificial Rayon Silk and Leather, etc., to help the unemployed workers. I instruct my trustees to set aside $3,000,000 worth of property (according to 1937 S.M.C. assessments) as capital for this purpose.

"I give $500,000 worth of property (according to 1937 S.M.C. assessments) to be a fund for Buddhist religious purposes.

"I give $1,000,000 worth of property (according to 1937 S.M.C. assessments) to the Chinese Government for the purpose of improving the public welfare.

"I give $1,000,000 worth of property (according to 1937 S.M.C. assessment) to be a fund to build a S. A. Hardoon and Loo Shih Memorial Hall and for a nunnery in my garden and house for aged people.

"I give $1,000,000 worth of property (according to 1937 S.M.C. assessments) to the Shanghai Municipal Council for the purpose of improving public and school conditions and general educational purposes.

"I give $3,000,000 worth of property (according to 1937 S.M.C. assessments) free from any restrictions to the person approved by the majority vote of the said directors appointed by me of the Liza Hardoon Foundation, who can carry on an enterprise industrially and commercially which can employ a large number of workers and employees at different cities in China in order to help the unemployment and furthermore such an enterprise must already be proved to be profitable and he shall be one of the two elected directors of the Foundation as aforesaid."

A stipulation is made that there be two more executors besides Mr. Abraham and Mr. Chi, to the will. Included in this will are several hundred thousand dollars in property to be divided between close friends and devoted servants of the late Mrs. Hardoon in amounts ranging from $10,000 to $50,000. Also, $100,000 worth of property is given to her staff and old employees in the garden.

The will concludes by a declaration that it has been "signed by the above-named testatrix as her last will." Upon disclosure of the will, it was taken to Mr. H. D. Rodger who will be handling the case and who has filed a caveat notice with H.M. Supreme Court.

PICTURES AND CARTOONS FROM A WORLD IN CONFLICT

Wang Regime Observes the Fight for Moscow

Wang Ching-wei's newspaper, the Central China Daily News, depicts (left) the Russian bear escaping from the ruins of Moscow, and (right) Stalin fleeing to another headquarters. The sheaf of manuscript and the megaphone are intended to show the Russian leader as the head of Soviet propaganda.

Japanese View

Wang Ching-wei's Central China Daily News shows Churchill's view of Stalin becoming obscured by the smoke of the Nazi attack on Moscow.

British View of U.S. Role

The London Daily Mirror.

Goose-Steps to Moscow

Central China Daily News, organ of the Nanking regime, depicts Hitler's gigantic steps toward Moscow.

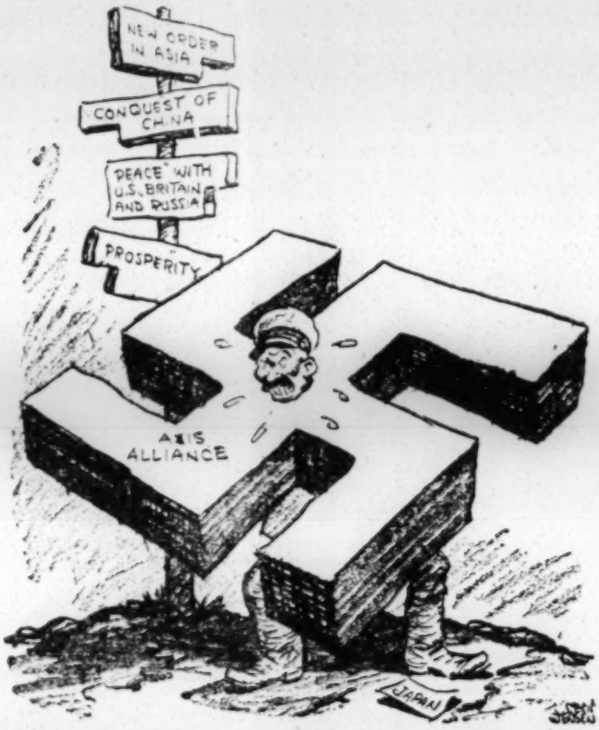
"The Man Who Heard Voices"

The London Daily Herald.

The Thumb Is Still Up

This cartoon appeared in the China Fortnightly, Hongkong and refers to Gen. Chiang Kai-shek's recent reference to Manchuria as a definite part of China. The inscription under the cartoon read, "Though badly bruised, Manchuria still is part of China—Thumbs Up!"

Nippon's Millstone



The Chicago Daily News.

Is it a Bogged Blitz?

New York Jewish paper, Aufbau, shows the Nazi blitz wagon bogged down in the ice and snow-drifts of a Russian winter.

"I Told You So"

The Chicago Daily News.

Soviet-Korean Border Incident Causes Apprehension in the U.S.

Considerable international interest, colored by not a little anxiety, was occasioned early this week by reports that a clash between Soviet and Japanese troops had occurred on Oct. 23 near the village of Kraskino on the Soviet-Korean frontier.

The Tokyo War Office on Oct. 27 denied that Japanese troops had crossed the Korean-Soviet border and, as alleged in a Soviet dispatch, had made efforts to kidnap Soviet frontier guards.

The **Tass** (Soviet) dispatch, dated from Vladivostok on Oct. 27, stated that a group of about 20 Japanese soldiers crossed the boundary and attacked a Soviet frontier patrol on Mount Chertova, near the village of Kraskino—"evidently with the object of capturing our frontier guards and carrying them off to their territory."

As a result of this action there were wounded on both sides, the **Tass** report said, adding that the Japanese carried away their wounded after leaving Japanese army caps and packages of cartridges on Soviet territory.

Mr. Koh Ishii, deputy spokesman of the Cabinet Information Board in Tokyo, was questioned about the incident at his press conference on Oct. 28 and, according to **Domei**, denied "any knowledge of any recent clash on the Soviet-Manchukuo border" (it was the Soviet-Korean border where the incident occurred).

Dr. Quo Tai-chi, China's foreign minister, was asked his opinion about the matter in Chungking on Oct. 27, and, as reported by **United Press**, minimized the incident, saying, "I would not attach too much importance to it."

Only 10 days earlier, in commenting on the new Tojo cabinet in Japan, Dr. Quo had stated that "Japan is ready to move and we are convinced his (Gen. Tojo's) selection indicates the Japanese will attack Soviet Russia."

Washington and London took a serious view of the reported border incident. Official circles in the United States capital, **I.N.S.** reported on Oct. 28, were decidedly uneasy, believing that the Japanese were readying themselves for a blow at Siberia in the nearest future.

Probable Japanese motives in making an incursion into Soviet territory, it was pointed out, would be to ascertain how ready the Russians are to resist, to capture Soviet soldiers in order to ascertain from them Russian strength in the Maritime Provinces (particularly whether Soviet Far Eastern troops had been withdrawn to the West); and to observe the reaction of the United States government. If Japan has decided to attack Soviet Russia, these circles believe, there will first be a series of incidents, followed by demands on Moscow.

Allied military circles in London, **United Press** reported, were similarly apprehensive of Japanese motives, although they allowed for the possibility that a small Japanese frontier unit might have exceeded its authority and acted on its own initiative.

"Golden Opportunity"

Cartoon in the Hongkong magazine, China Fortnightly, shows Japan in familiar role—grabbing the Siberian territories of the Soviet Union while Stalin is engaged in the fight with Hitler.

Japanese Moving Troops to Thai

The question "North or South?"—referring to the next Japanese expansionist move—continued to occupy the attention of observers this week, following reports from Bangkok on Oct. 23 which stated that Japanese troop movements were taking place in French Indo-China near the Thailand border.

Two Bangkok newspapers reported such movements, asserting that troops of Dai Nippon had moved from Hanoi and southern Indo-China to frontier stations on the French side of the Mekong River. The main strategic road from Pakse, on the French side of the river, it was stated, was closed to all but Japanese military traffic.

If Japan is seeking justification for an attack on Thailand—as would seem rather obvious from the recent Japanese press propaganda campaign alleging that Thailand was coming more and more under British influence and that Bangkok had actually concluded a military alliance with Britain—the wind must have been taken out of her diplomatic sails by the new Japanese ambassador to Bangkok, Mr. Teiji Tsubokami, who in an interview in the Thai capital on Oct. 24 discounted reports of a secret military pact between Thailand and Britain.

The interview was reported by **Domei**, which credited the Japanese envoy with stating his disbelief in the existence of any such pact. If there were an alliance, he said, it would not only contradict Thailand's avowed policy of strict neutrality, but would "endanger her independence."

On Oct. 23, however, the Bangkok correspondent of the Tokyo **Yomirui** reported that the A-B-C-D powers "were using every conceivable means to wean Thailand away from cooperation with Japan" and that this was endangering the country's neutrality which the Bangkok government had sworn to uphold.

Japanese Observe Great Battle Dates

In commemoration of the fourth anniversary of the Japanese drive into the Chapei area during the Sino-Japanese fighting at Shanghai in 1937, a special memorial service was held at the Japanese Naval Cemetery on North Szechuen Road on the afternoon of Oct. 27.

In Hankow, another memorial service for military exploits took place, the third anniversary of the Japanese occupation of the three cities of Wuhan—Wuchang, Hankow and Hanyang—being observed for three days from Oct. 25, said a **Domei** report, recalling that the Japanese entered Hankow on Oct. 25 three years ago, and succeeded in occupying the whole Wuhan area by Oct. 27.

Quoting the Shanghai **Mainichi**, the report alleged that at the time of Japanese occupation of Hankow, the population was only 300,000, but has now reached 1,000,000.

The fourth anniversary of the battle of Tazang, one of the most sanguinary during the Sino-Japanese hostilities in the Shanghai area in the autumn of 1937, was observed at a memorial service on Oct. 26 by Japanese-Nanking authorities at Tazang, a town to the northwest of Shanghai, the Shanghai **Mainichi** reported. The memorial service was held before the Monument of Loyalty, which was erected in honor of both Chinese and Japanese soldiers who lost their lives in action.

53,000 American Coal Miners Go On Strike

Rejecting an appeal by President Roosevelt to defer action, Mr. John L. Lewis, President of the United Mine Workers Union, called a strike of 53,000 workers in captive coal mines of the United States and the walk-out occurred on October 26. Captive coal mines are those owned by the steel corporations, and they produce about 90 per cent of the coal consumed in steel plants.

General Hata Returns To Nanking from South

General Shunroku Hata, commander-in-chief of the Japanese Expeditionary Forces in China, has returned to Nanking after completing a six-day inspection tour to South China, which began on Oct. 17, reported a **Domei** dispatch quoting the Press Section of the Japanese Expeditionary Force.

U.S. National Debt Now $53,000,000,000

The national debt of the United States has reached the stupendous total of $53,000,000,000 the U.S. Treasury announced on October 22. This sum is double the highest debt figure reached between 1914 and 1918, the years of the first World War.

Puppets Seek to Win Southwest As Japan Prepares New Attack

While Japan makes preparations for an attack somewhere in the region of the Burma highway, with the aim of cutting China's life-line and nullifying American lease-lend aid to the Chungking government, the puppet Wang Ching-wei regime at Nanking is busy making efforts to wean the southwestern provinces from their loyalty to Chungking.

This pattern of development emerges from recent trips of puppet representatives to Canton and increasing Japanese troop movements in Kwangtung Province and French Indo-China.

The most recent puppet official to visit Canton was Mr. Chen Kung-po, head of Nanking's Legislative Yuan and mayor of the puppet Shanghai Special Municipality. His trip south became known only on Tuesday of last week when he reportedly returned to Shanghai in a Japanese plane.

Madame Wang Goes Along

Chinese reports alleged that he was accompanied south by Madame Wang Ching-wei, that he conferred with "undisclosed personages" in Hongkong, and then proceeded to Canton where he and Madame Wang went into conference with Chinese military leaders from Kwangsi Province. Kwangsi was formerly under the control of Gens. Li Tsung-jen and Pai Chung-hsi, but both are now in Chungking and engaged in military work for Gen. Chiang Kai-shek.

Vincent Sheean, noted American press correspondent and author, reported in a dispatch from Singapore to the **N.Y. Herald-Tribune** on Oct. 24 that Japanese troops stationed in Indo-China were definitely planning to attack the Burma highway. He quoted confidential sources as informing him that the Japanese had landed a division of troops at Haiphong and three divisions at Canton, while simultaneously bringing up railroad equipment to the Yunnan border. Kunming, he said, would probably be the Japanese objective.

If the Nanking puppets succeeded in winning over the present leaders of Kwangsi to the Nanking-Japanese cause, this would greatly assist the Japanese in any drive against Yunnan and the Burma highway. The Japanese would also like to throw the apple of discord into Yunnan Province, and lately there have been tendencious Japanese reports casting doubt on the loyalty to Chungking of Gen. Lung Yun, the governor of the province.

Gen. Lung Refuses?

Only on Oct. 14, **Domei** asserted that Gen. Lung had rejected a Chungking request to be allowed to send troops to Yunnan for the defense of the province against a possible Japanese attack.

Early in August, Wang Ching-wei visited Canton, supposedly for the sole purpose of attending an "East Asia Press Conference." It was reported in the Hongkong newspapers, however, that this conference was merely a smoke-screen to conceal the more important motives behind Wang's presence in Canton.

These newspapers alleged that Wang visited Canton in connection with a coming Japanese "southward movement." Japan was withdrawing troops from the Canton area, it was stated, and Wang conferred with Japanese commanders on the question of increasing the number of puppet troops to defend the city against possible loyalist attacks.

No one knows to what extent the Japanese garrison at Canton has been thinned out. It is certain, however, that Wang Ching-wei is playing the Japanese game in South China and preparing to aid them in whatever new plans are put into operation.

Reverting to Chen Kung-po's visit to Canton, there was an unconfirmed report that he had met Sun Fo in Hongkong to discuss developments in the event of a collapse of the Russian armies in Europe. If Russian resistance collapsed, it was pointed out, the Chinese Communists would be "out on a limb," and since there is no love lost between them and Gen. Chiang Kai-shek, the Japanese believe they might be induced to ally themselves with Nanking against Chungking.

The Chinese military spokesman at Chungking declared that a large-scale Japanese offensive in China is imminent, and Dr. Quo Tai-chi, foreign minister, declared on Monday of this week that Japan was bound to make an aggressive move pretty soon. The next Japanese attack may not be directed against one country alone, but against all anti-aggression countries, Dr. Quo said.

The military spokesman charged that the Japanese were concentrating troops at Hsinyang, southern Honan, constantly reinforcing troops at Chengchow and increasing their strength in the neighborhood of Canton from two to three or four divisions.

The Shanghai **Shun Pao**, quoting military dispatches from Chungking, reported that a new Japanese offensive already has been started on the western Shansi front and that heavy fighting is now going on.

Battles of a minor charater have also been going on in Hupeh and Honan provinces, culminating in the Chinese recapture of Kwangwu, 20 miles northeast of Chengchow, and Hohsueh, 25 miles below Shansi on the northern bank of the Yangtsze, according to **United Press** dispatches from Chungking.

On Oct. 28, **Reuter** reported that Chinese had entered Shaohsing, wine production center in eastern Chekiang. Chinese mobile units, meanwhile, have been harassing Japanese communication lines in the triangular region between Shanghai, Hangchow and Ningpo, the report said.

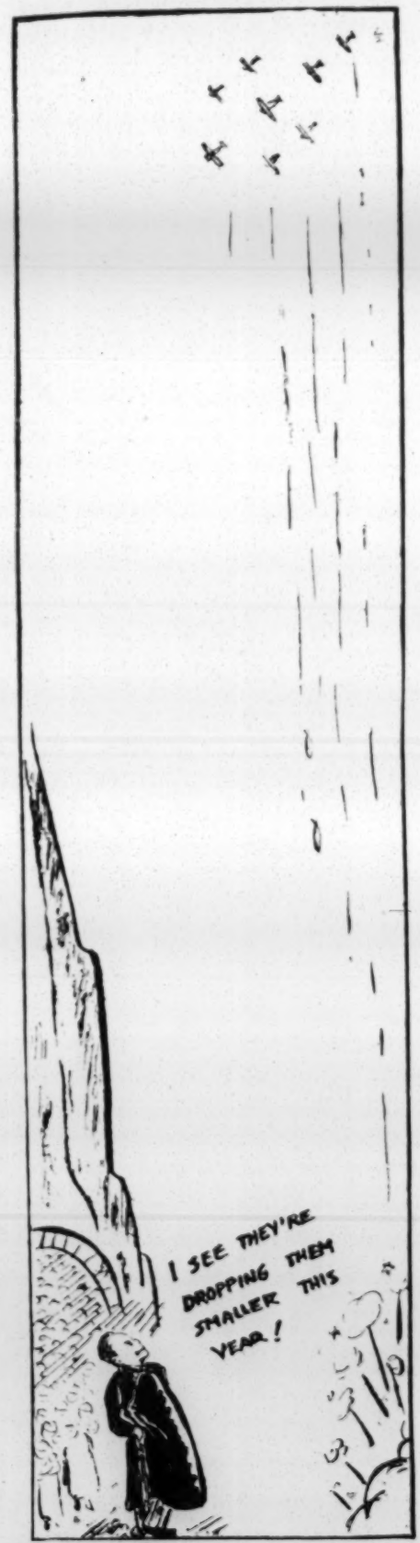
The Japanese campaign against Chinese Reds in the border region of Shansi, Hopei and Chahar provinces, which was commenced in the middle of August, has been successfully concluded with mopping-up operations, **Domei** quoted the press section of the Japanese Expeditionary Forces in China as stating.

Meanwhile, the recent Japanese campaign against Chinese Reds in southern Shantung province, near Taierhchwang, was also reported by **Domei** to have been successfully concluded.

Mr. Shen Hung-lieh, Chungking-appointed governor of Shantung province, who has recently returned to Chungking, revealed that only three of 109 counties in the province were entirely under Japanese control. Most counties were either partly or entirely under Chungking's Shantung Provisional Government, Mr. Shen said.

The Shantung governor also described his long, adventurous trip from Shantung to the Chinese wartime capital, which took him 55 days. He said that he had numerous miraculous escapes when passing through the Japanese-occupied areas.

Getting Smaller



Chinese figure in the cartoon from China Fortnightly, Hongkong, is remarking that Japanese bombs are becoming smaller due to increasing economic restrictions in Japan.

Wang Aids Family of Deceased Revolutionist

Wang Ching-wei, president of the Nanking government, recently donated a sum of CN$15,000 to the bereaved family of the late Mr. Wu Ying-pei, who was one of the closest collaborators of Dr. Sun Yat-sen in the revolution in 1911. Mr. Wu died in Formosa on Aug. 8, according to a report in the Shanghai Japanese army organ, **Tairiku Shimpo**. The Nanking government will sponsor a special memorial service at the Pilu Temple in Nanking. In Shanghai, a special funeral service for the deceased patriot was held at the Chao Fong Funeral Hall on Oct. 27.

China Can't Lose

BY W. H. DONALD

Collier's

Editor's Note:—The author of this article was for many years adviser to Gen. Chiang Kai-shek, and before that to Marshal Chang Hsueh-liang, who is believed to be held prisoner at Kweiyang and now completing his punishment for the kidnapping of the Generalissimo at Sian in December, 1936. Of Australian birth, Mr. Donald left China about a year ago and is now understood to be somewhere in the South Seas. It is believed that he abandoned his post as adviser to Generalissimo Chiang as a result of a disagreement regarding the continued detention of Marshal Chang Hsueh-liang and also disagreements regarding the disputes between the Kuomintang and the Communists.

Japan cannot defeat China. Instead, she will be beaten in China—and this regardless of whatever she achieves or fails to achieve elsewhere. In fact, each new involvement on Japan's part serves to insure the eventual certainty of a Chinese victory.

When the Japanese, on July 7, 1937, declared they would conquer China within three months they believed it. The world appeared to believe them. Four years have gone. The Chinese still resist. The Japanese spasmodically fight frenziedly—but without hope of success.

The Chinese army and people have gallantly met the unrestrained onslaught of "irresistible Japan"; have shattered her prestige; have filled the Japanese leaders at home with bewilderment. The armies of Japan cannot escape from China without acknowledging defeat; nor can Japan exploit the so-called "occupied" areas with success or in peace.

Wastage of Forces

Wherever there are Japanese military units in China there are Chinese to fight them. Wastage of the Japanese forces by regular Chinese soldiers or by guerrillas has reached proportions never acknowledged by the Japanese. Fighting surges from the seaboard to the far interior. There is no "front." Blood-letting proceeds without surcease everywhere—before the Japanese lines, behind them, and on all flanks.

The Japanese entered the war with amazing misconceptions of China and her people. Their lighthearted belief that the flags of victory would fly in three months was based upon the misreading of history and their own experience of Chinese pusillanimity. They based their hopes of swift victory upon the knowledge that China of old had always paid to get rid of foreign force; had surrendered to escape. They were sure she would do so again—now, more than ever, since both America and Great Britain could not intervene. The change in the Chinese mind as a result of the establishment of the republic could be ignored. Had not China been fighting internally? She had—but the Japanese failed to see how the seeds of change had been sown in the generation that had grown up since the overthrow of the Manchu dynasty.

First Serious Mistake

So Japan made her first serious mistake; foreign powers also erred in judgment. All curiously failed to see that with the republic came patriotism, unity, the spirit to fight. Japan felt sure China had neither the spirit nor the means for a war. Chiefly, China had not sufficient equipment. She had wrung her withers chasing Communists for ten long years. Above all, the country was politically riven. China was ripe for plucking, and Japan was determined to establish herself on the mainland before it became too late. A few more years and Japan's greatest opportunity would have passed.

This, Japan believed. What she did not know was that while China was busy fighting Communists she was much busier building up the national army that in time met the Japanese invaders and held them. That force was devised and taught and drilled and armed by Germans. They did it far from the eyes of the Japanese—away down in Kiangsi province—and they loved doing it. The First World War veterans who composed the German mission were of the best Germany had and they devoted all of their time to the training and organizing of an army for modern warfare. They were specially drillers of men; organizers of war services. They were not strategical advisers; they had nothing material to do with the conduct of the war; they were not planners of campaigns for China, nor were they masters of maneuvers. The strategy of the war was Chinese in design and performance. That is why China did not collapse when the Germans were sent home upon the insistence of Japan.

Japanese publicists shouted with delight when the Germans departed late in 1938. Now that what they regarded as the pillars of the house had been removed, surely the edifice would tumble. It did not. Strangely enough, no change took place, except that the Chinese suddenly became more successful.

This ignorance of the existence, in its true colors, of the national army, or appreciation of it, as a fighting force, was Japan's second serious error. A third, and a greater, was her wish to believe that China could not change in any way from her historical habits. The Japanese jeered at possibilities of political unity, for their agents had successfully engineered civil wars in the past. They laughed at the New Life movement and similar developments as child's play.

Fourth and Worst Error

In reality, however, the old war lords had been swept away, and these new movements worked like lightning, cleaning up villages, stimulating towns, giving the people spiritual impetus and a new view of life and responsibilities. Education developed; highways were built until every province could be reached from every other province by motor, and provincial jealousies were obliterated. Then the Japanese pounced like barbarians. Their orders were to "beat China to her knees" in three months. That was the fourth error. The world watched with amazement. With great masses of tanks, mechanized units, and airplanes, the Japanese struck ruthlessly. Artillery blazed. Cities were ruined, towns and villages razed. Airplanes swept over cities burdened with aged, defenseless and helpless, and bombed and burned them. Over distant, smiling valleys flew the engines of death and destruction and destruction and laid the land in ruin. The vast population fled before the advancing armies. Airplanes machine-gunned them; artillery shattered them. The survivors fled for hundreds of miles.

Japanese soldiers wallowed in crimes as disgusting as they were common. They raped, robbed, killed, burned. Trucks carried off the loot. Behind them they left the broken bodies of raped girls and women, and the slain masses of men. Wherever they went they sowed a blight. They were out completely to destroy the means of livelihood of the people, and to terrorize the survivors.

All respect for the noncombatant was abandoned. His possessions were destroyed or looted; if he protested he was slain offhand. Every opponent who could be caught was killed. The small factories, the handicraft workshops, the big mills were all purposefully attacked and destroyed. Every piece of metal was taken to Japan. Good machinery was dismantled for use elsewhere. Chinese businesses were taken over by Japanese, who tried to operate them. Stermerloads of loot were taken to Japan. Vast has been the demolition of historical monuments; so devastating the ravage that people abroad would not believe the apalling stories that came out of China.

All this the Chinese people have taken. The belief that they could not, or would not, take it is the fifth mistake of the Japanese and it is a vital one. They forgot the mass deaths through famine or floods of the Yangtze, the Yellow and the Hwai rivers, which involved deaths from a few hundred thousand up to two million. They forgot the twenty years of civil wars, many fomented by Japanese agents, which had blown or burned the Chinese people out of their homes time and again as if in training for this

Badly-Battered Butterfly

The Chicago Daily News.

terrible calamity. The Japanese are learning, but too late, that the Chinese are too familiar with gigantic calamities and death en masse to be frightened into subservience by more of it. What the attempt to terrorize them did was to make them stand up and fight as they never had before.

To these various errors has to be added the most startling result of the war. Demoralization of the Japanese army by the barbaric nature of the campaign, and by the very character of the orgies in which officers and men have been able to indulge. The maxim that "he who commands the sea commands the land" does not apply in China. What the Japanese navy does in blockading the coast is undone by the Japanese military officers who are making huge fortunes out of robbery and corruption.

China has no fleet, mercantile marine or great industrial centers. She has not been able to strike one blow at Japan's sea power. Her coast is shut tightly by an unchallenged navy, yet materials and munitions and all manner of trade articles, have passed, for a price, into Free China. This war has been reduced to the greatest racket the world has seen or heard of. From the highest ranking Japanese officer to the lowest private, graft is an order of the day. China has been freely looted of its treasures and art owned by the people. Money is squeezed from every available source by officers or stolen from the common people by privates. The gigantic octopus of graft has its tentacles into the tills of the customs, opening ways for materials to get through the lines and closed ports, and penalizing the people wherever the Japanese prevail. Shanghai and other ports are bonanzas.

The Graft Piles Up

Only last March and April—after three and a half years of war—the Japanese navy made a sudden, much advertised sweep down the South China coast and announced that it had been gloriously engaged closing up smuggling holes through which arms and munitions and war materials had been seeping from Hong Kong to the Chinese army. The navy did not announce that those ports had been under control of envied Japanese military officers for a couple of years at least, nor did it state whether navy officers intended to take their share of the graft the Chinese were ready to pay to get goods through.

Look at the blockade of the British Concession at Tientsin. The Japanese ran barbed wire round it; prevented foodstuffs from entering on the plea that they were trying to persuade the British to release to them a large quantity of Chinese dollars held by one of the banks. They collected squeeze on every vehicle and parcel that entered. The blockade was sustained for many months. Japanese officers collected personally some $60,000, Chinese currency, a day. Only when the situation became intolerable did the Japanese take down the wire, but the Chinese dollars remain in the British Concession except for a portion which it was said was paid out for "flood relief" purposes.

This piling of the Ossa of corruption upon the Pelion of loot has assumed enormous proportions throughout the region occupied by the Japanese. It has long been more important than winning the war. Coupled with efforts to sweep out of existence the interests of Britons and Americans in China, at Tientsin and Shanghai, two rich centers of population, Japanese officers have opened gambling hells, brothels, dance halls. They run opium-smoking houses, sell narcotics, and employ low-class Japanese and Koreans to spread the evil broadcast. It was easy to adapt for personal enrichment an evil scheme devised officially to demoralize the Chinese people. What these officers did not foresee, however, was that while on the one hand it would not halt China's resistance, since those resisting were not the froth of coastal cities, it would, on the other hand, contribute largely to the demoralization of the Japanese army.

Things That Make Men Fight

There could be but one end to such terrible errors and happenings. The "invincible" Japanese army was soon clogged in its movement by its orgies, bogged down by the weight of the loot and the lust it loosened. Unexpectedly the Chinese sprang to oppose it. The German-built national army developed into a vast force. Men volunteered or were conscripted to its ranks. It had little mechanized equipment, only about one hundred airplanes, and no money or transportation to get many more. Its artillery and anti-aircraft weapons were scarce and were outclassed by those of the Japanese. But it had manual weapons and machine guns. It also had high spirit and confidence. It was fighting for its country, for its bleeding people, for its burned homes. And how it fought! Soon it learned that it could outfight the Japanese man for man; that it could dodge the hail of shells and bombs. But the weight of Japanese explosives, the inadequacy of the Chinese defenses, caused city after city to fall. At Shanghai, in full view of foreign technical observers and people in general, the Chinese fought for three months before the tremendous and mishandled array of Japanese might could send them flying through the paddy fields and canals to other lines.

"You're beaten, now surrender," yelled the Japanese, but to the astonishment of the alleged victors the Chinese did not know they were beaten, and fought elsewhere, ever moving westward, until Hankow was abandoned. Then positional fighting was also abandoned. In the subsequent mobile operations the Chinese outfought and outmaneuvered the Japanese so badly that exasperation and bewilderment produced near chaos. Never were the Japanese able to destroy a Chinese army. In time they were forced to look everywhere for escape. They tried to shorten their lines, to lessen their commitments. They tried vainly eight or nine times to secure peace on ever-diminishing terms. They tried to take advantage of the international situation to escape the toils of China and harvest more empire elsewhere. They were stopped by the Chinese mud which clung to their boots; by the promise of help to China by America and Britain.

Today they find themselves being broken in China. Only a rift in the Chinese lute can give them hope there, for Chiang Kai-shek always softly says: "There can be no peace while any Japanese soldier remains on Chinese soil." That is the only answer he ever has given to proffers of peace.

Supply Ship for Nazi Raider Reported Here

A camouflaged German ship, believed to be a supply ship for a Nazi raider, was this week loading diesel oil and gasoline, in addition to stores, in Shanghai harbor. The vessel entered port on the night of October 25, according to **The China Press**, manned by a German crew and officers but flying the Japanese flag, and tied up at buoys 6 and 7, opposite the Shanghai and Hongkew Wharf. A **China Press** reporter who circled the vessel in a motor launch observed Japanese officers on the bridge with the German officers, who were clad in white-and-black uniforms.

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Eurasia Aviation Now All-Chinese

Chungking (By Air-Mail)—Unlike previous meetings the 40th board of directors' meeting of the Eurasia Aviation Corporation held recently in the capital city had the special significance of being the first directors' meeting after Eurasia became, on Aug. 1, a 100 per cent Chinese-owned-and-operated concern. Formerly jointly owned by Chinese and German interests, with the German Lufthansa Company holding 49 per cent of the shares, the Eurasia Aviation Corporation was taken over by the Ministry of Communications during the summer, following China's severance of diplomatic relations with Axis powers.

One of the resolutions carried at the board meeting is history-making for this one-of-the-only-two aviation concerns in China. It calls for the purchase of new airplanes hereafter from American manufacturers, thus ending the use of German machines. German-manufactured Junker tri-motor passenger planes have been used exclusively by the company ever since it was established in 1930 in collaboration with German interests.

Douglas Planes Bought

According to informed circles, the Ministry of Communications, which now controls the Eurasia corporation, has already purchased for the company two new Douglas DC-3 passenger planes. These new 21-seater giant airships will be put into regular service before the end of the year.

At present Eurasia's regular fleet of machines consists of four German-made Junkers 52's. Smaller and nosier than the planes used by the Sino-American China National Aviation Corporation, these Junkers aircraft are said to render very satisfactory service, particularly in foul weather.

The withdrawal of German flying and business personnel, according to officials of the corporation, has not in the least affected the operations of Eurasia. Although the Ministry of Communications ordered at the end of July that all German employees of Eurasia be discharged and German interests taken over by Chinese beginning August 1, actually the German pilots had been "benched" for months before their dismissal. These flyers, together with other German personnel, all left China following the reorganization of Eurasia. Shares formerly owned by the German Lufthansa Company were purchased by the Chinese authorities.

Chinese Personnel

All scheduled runs and chartered fights of the Eurasia Aviation Corporation this year have been made by the company's five teams of Chinese flying personnel, consisting of one chief pilot, one co-pilot and a radio-operator for each team. All the first pilots in the company's employment had advanced training in Germany prior to the present European war. Before joining the service, they were required to obtain German civil pilot licences. All of these Chinese first pilots have had at least four years of experience in solo flights; most of them have served as pilots in Europe, the service being a part of the requirements during their advanced training in Germany.

To increase the strength of the flying personnel, Eurasia is planning to train more civil pilots in collaboration with the Ministry of Communications.

According to a report yet unconfirmed, the Eurasia Aviation Corporation plans to hand over its accounting department to the Central Bank of China, which will have charge of the accounts and undertake to audit them regularly. Heretofore, the accounting department has been functioning under the general management of the aviation company.

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Japanese Diet Holding Session

A special session of the Diet, Japan's almost forgotten parliamentary institution, is to be convened on November 15 and will last five days, according to official announcement in Tokyo on October 24.

While the special session, according to the announcement, is being summoned to deliberate on supplementary estimates and other legislative measures (including bills to increase rice production and raise taxes), it was also stated that "the Government will seize the occasion to manifest its firm resolve on the execution of national policies and strive to realize national unity by seeking the nation's understanding and cooperation."

In other words, the session is intended, among other things, to be a demonstration of "national approval" for the warlike program of the new Tojo cabinet. It will be the second special session since the outbreak of the China war and the 14th in Japan's parliamentary history.

The **Japan Times & Advertiser**, mouthpiece of the Japanese Foreign Office, said the summoning of the extraordinary Diet session connoted two ideas, namely, "that of formulating a strong national policy to meet any emergency in line with the creation of a new government fashioned to cope with a difficult international situation; and the reality that the people, under the benign guidance of His Imperial Majesty, will exercise constitutional rights through their elected representatives." The paper added that the extraordinary session will give the nation "confidence in that the people are able to show their appreciation of the new government and their readiness to assist it in fulfillment of plans for national security and advancement."

The **Asahai** said that the calling of the session was highly significant, since the Tojo government "already has the full support of the people," while the **Nichi-Nichi** said the decision to convoke the Diet "indicates that the new government really intends to effect closer cooperation between the government and people in carrying out the nation's policy.

Manchukuo Opens Shanghai Consulate

The Consulate-General of Japan's puppet state of Manchukuo was formally opened in Shanghai on October 23. Previously it had been merely a commercial mission with offices here. Similar missions in Tientsin and Tsinan were also elevated to consular status.

The Manchukuoan consul-general here is Mr. Wang Ching-chang, and according to the local Japanese Army organ, **Tairiku Shimpo**, Mr. Wang has applied to Mr. Poul Scheel, Danish consul-general and dean of the local consuls, for recognition by the Consular Body. Since Manchukuo is recognized only by Japan and the Axis states, the Consular Body can hardly give recognition to its consular representative in any formal sense.

This problem has already arisen in Tientsin, where the Manchukuoan consulate-general has been established in the British Concession. According to a **Reuter** report on October 24, the British consul-general in Tientsin has formally protested to the Japanese consul-general against the opening of the Manchukuo establishment in British territory.

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Terrorists Attack Review Editor Following Anti-Nanking Article

Mr. J. B. Powell, editor and publisher of **The Review** and executive editor of **The China Press,** narrowly escaped death or injury when an unknown terrorist hurled a hand-grenade at him on the evening of Oct. 23. The grenade, wrapped up in a Chinese newspaper and of the potato-masher type, failed to explode.

Mr. Powell, whose name appeared with those of five other foreign journalists in Nanking's "black list" issued last year, was the first American journalist to be attacked by terrorists in Shanghai.

The incident occurred at about 7 p.m. when Mr. Powell was returning to his quarters at the American Club on Foochow Road after leaving his office at 160 Avenue Edward VII. He was walking with his bodyguard along Szechuen Road near Foochow Road when the grenade struck him on the left shoulder. The missile dropped to the ground, and when Mr. Powell and his bodyguard stopped to find out what it was the would-be assassin managed to escape.

The Police were informed, and the paper-wrapped missile was taken to the Central Station for examination.

Follows Anti-Nanking Article

It will be recalled that **The Review** published an article on Oct. 18, entitled "Inside Nanking," which dealt with the various opposing cliques of the puppet regime and with the financial difficulties of the puppet government. This article brought forth a warning in the Japanese-sponsored Chinese journal, **Sin Shun Pao,** which expressed the "hope" that "sanction would be given" to the editor. The **Sin Shun Pao's** warning came only three days ahead of the attempted assassination.

When this was called to the attention of the Japanese Embassy spokesman, he first said that he hadn't read the paper and then expressed "regret" over the incident, adding that he was against any terrorist activities in the Settlement.

Another hand-grenade also wrapped up in a Chinese newspaper, was found on Oct. 24 in a lane on Avenue Edward VII, a couple of doors away from the **Shanghai Evening Post.** Another grenade had been deposited near the spot several days before.

Bombs at Wing On

A canister bomb, planted on the roof of an elevator in the Wing On Roof Garden Amusement Resort off Nanking Road, exploded at 8:30 p.m. on Oct. 26. The explosion caused slight damage, and the operator was slightly injured. It was recalled that several days previously a bomb was found in the crockery department of the Wing On Department Store. Authoritative quarters believe that some one might have placed the missile there for the purpose of intimidating the management.

A military type of hand-grenade was found on the same day inside the Wing Tai Vo Tobacco Company on Kiukiang Road. It did not explode, however, and was removed by the police.

Five members of Wang Ching-wei's bodyguard at 76 Jessfield Road were seized by a roving patrol of the Fourth U.S. Marines when riding in a car on Weihaiwei Road last week. The bodyguards were carrying Mauser pistols, only one of which was registered with the police. The quintet was handed over to the Settlement police for questioning.

Meanwhile the Settlement police were holding another four Chinese whom they arrested in a Settlement bus on Avenue Foch and found in possession of firearms.

Japanese Nab Gunmen

A Chinese gunman was arrested by a Japanese sentry when he tried to kill a Special Municipality employee named Wang Ching-ting. A gun and cartridges found in possession of the arrested terrorist tallied with cartridges found in the assassination of N.A. Ivanow, Russian emigrant leader, in late September, and also with those found when a Japanese sentry named Nishida was shot last July.

The arrested gunman was believed to have made a confession regarding the activities of terrorists, and it is expected large-scale raids and arrests will follow.

Five terrorist assassinations and seven attempted assassinations were perpetrated in the Settlement and the French Concession during the month of September, the acting commissioner of the Shanghai Municipal Police stated in his monthly report. The majority of these took place in the Settlement.

Six Japanese Victims

In six instances in the Settlement, the victims were Japanese nationals, the report said. Among those killed was Mr. N.A. Ivanow, chairman of the Russian Emigrants' Committee, who was shot on Sept. 15.

Seven cases of bomb-throwing occurred in the Settlement in September, and explosions in two cases injured four persons, the report added.

Political anniversaries in September, however, passed off without any untoward incidents, although a small amount of propaganda literature was disseminated and eight arrests were made by the S.M.P. on Sept. 18, the report stated.

A strong protest with the Japanese Consul-General at Tsingtao was made by the United States Consul there over an assault on an American Catholic nun by a Japanese in a public street. The protest demanded that the Japanese be punished.

The American consul, in his protest, said that the Japanese had assaulted and struck Sister Turibia of St. Joseph's School in the presence of many onlookers. Sister Turibia was known as Miss Anna Soehnlein before she became a nun.

Bombing in Wuhu

In the Japanese-controlled city of Wuhu, southwest of Nanking, three hand-grenades were thrown into a motion picture theater and nine Chinese were injured, the **Shanghai National Herald** reported. Soon after the attack, the Japanese garrison forces started an extensive search during which many suspects were arrested, the journal added.

In Soochow, on Oct. 18, a Japanese was shot and wounded near the Hsing Ming Bridge. The assailant escaped. The Japanese soon started a rigorous house-to-house search, closing the city gates, but no tangible results were achieved, according to the **North-China Daily News.**

Another terrorist act was the murder of a Japanese editor, Mr. Shigenobu Sawai, at Amoy on the afternoon of Oct. 26, this report being carried here in a **Domei** dispatch from Amoy. Mr. Sawai, according to the report, was the president of the **Tsuan Min Sin Jih Pao,** a Japanese-owned Chinese language paper. Vigorous searches were being carried out by the Japanese to apprehend the assailants, the report said.

Chinese Hawker Killed

In the Western District of Shanghai, a shooting affray occurred on Oct. 26, in which a Chinese hawker was killed by a constable of the Western Area Special Police as a result of an alleged dispute over the collection of some "fee," the **North-China Daily News** reported. It could not be ascertained, due to official reticence, whether the shots were intentionally or accidentally fired. The policeman, who escaped after the shooting, was arrested by his colleagues and detained at the headquarters of the special police for interrogation.

Many gambling houses have sprung up in both the Siccawei and Nantao districts and are the cause of frequent disturbances, according to another report in the **N.-C. D. N.** Recently, a bomb was tossed into the Ta Sen Gambling House in Nantao, three men being killed and seven wounded. The "Green Spot" Gambling House was also bombed.

In Siccawei, with many gambling dens coming into existence, gambling touts shout in every lane and even the Wah Wai lottery has become a fashionable game, the report said.

Opium-Smoking Dens

The **Chinese-American Daily News** was quoted as reporting that in Chapei, Pootung, Hongkew and Nantao many opium-smoking houses "openly exist." Their licences were said to have been issued by the opium suppression bureau, the **N.-C. D. N.** quoted the Chinese newspaper as saying. One licence allows nine opium-smoking lamps, for each of which a licence fee amounting to $7,000 must be paid, the report alleged.

From these establishments Chinese troops and police under the regime were reportedly demanding monthly fees and it was alleged that if a sum of $700 is paid to the police, an opium-smoking house will be safe and free from any interference, the **N.-C. D. N.** said.

Denouncing the slaying of Japanese nationals in Shanghai by Chungking terrorists, the **Japan Times and Adverttiser** in its evening issue on Oct. 23, charged that these murders were clearly part of Chungking's

plans to "stir up feelings between Japan and the Shanghai foreign authorities."

Chungking is desperately striving to keep friction alive between Japan and third powers by sending out its agents to shoot Japanese at Shanghai in the hope that Japan will take such drastic action as will cause foreign resentment, the Tokyo paper asserted.

Concerning the United States attitude, the paper said that although Japanese, Chinese and foreigners were fully aware of Chungking's designs, "the trouble is whether that understanding will get over to America if Japan has to take drastic actions further to protect its nationals."

Anti-Semitism Makes Appearance in S'hai

Organized anti-Semitic propaganda made its first overt appearance in Shanghai on Oct. 25 when thousands of leaflets denouncing local Jewry fluttered over the city in the vicinity of the Race Course on Bubbling Well Road after being released on a brisk breeze from an upper floor of the Park Hotel where the local German propaganda and espionage organization is understood to have its headquarters.

The leaflets were printed in English and bore the signature of a body styled the "Aryans' Union." The text called upon local Aryans to boycott Jewish businessmen, claiming that profits made by Jews were used to make bombs with which Aryans were being killed.

"Remember," the leaflets said, "that any dollar or cent you spend in Jewish shops, restaurants or other Jewish establishments will be turned out in bombs against our own people fighting for world liberation from this Jewish yoke."

The Chinese-language Japanese Army organ, the **Sin Shun Pao,** as if by prior arrangement with the disseminators of the leaflets, the same day accused Jewish traders and brokers of manipulating local commodity and share prices—"not the Jews who hang about street corners begging for alms, but those who own sizeable fortunes." The Jews, the paper asserted, played a prominent role in Shanghai's notorious "black market."

More anti-Semitism from a Japanese source reached the press on Oct. 26 when Mr. Shinro Miyazaki, ex-Japanese minister to Iraq, arrived in Kobe and told interviewers that British troops were able to invade and occupy Iraq only because of the Jewish elements in that country. He said that when he arrived in Bagdad, the Iraquian army was already in the hands of the British and when British troops moved in, they were aided by more than 80,000 Jews who had been residing there.

After the British troops arrived, Mr. Miyazaki said, more than 5,000 Jews were massacred in Bagdad by natives who were "angered over the fact the Jews not only aided the British but also hampered the Iraquis efforts to attain independence."

U.S. Finance Expert Now in Shanghai

Mr. Merle Cochran, American financial adviser to the Chinese Government in Chungking, arrived in Shanghai on October 25 from Hongkong and was this week engaged in conferences with local bankers regarding the muddled currency situation and the attendant economic ills of this city.

In the midst of his deliberations, the prices of rice soared once again to cause a near-panic among the poor, the Shanghai Municipal Council and the French Municipal Council authorized an increase in the price of bread to 93 cents a pound, and the value of the American dollar on the still-flourishing "black market" rose to the all-time high of Ch. $37.50 for U.S.$1.00.

Prices of all commodities, especially imported articles are changing daily, but always increasing. Native products are keeping pace, and unless there is some control riots may be expected, for the poor are in desperate straits. The Consular Body has not yet endorsed a byelaw which would give the S.M.C. the power to fix maximum prices and call a halt to hoarding of commodities.

With winter just around the corner, the S.M.C this week turned its attention to the fuel problem and by agreement with the French Municipal Council fixed the selling price of coal briquettes, including transportation charges, at $19 per zah of 100 lbs.

The situation as regards house-rent, cause off complaint for a long-time, has moved Chinese public bodies in Shanghai to petition the Chungking government, asking that the local Chinese courts be empowered to curb rapacious landlords by applying Chungking renting laws to this city. In particular, and for the time being, Chungking has been asked to order the courts to defer decisions on all rent disputes in order to protect tenants.

Chinese landlords are employing various devices to extract higher rentals from the already terribly harassed tenants, one being the fake sale which automatically terminates the rights of sub-lessors. Chungking law, it is understood, gives sub-lessors the right, where no lease-term is specified, to prolong their tenancy by simple notification, and in such cases the landlord cannot evict.

Japanese Viewpoint

Nanking paper (Central China Daily News) shows the cost of living ascending like a balloon, while the ability of Shanghai's population to keep up with the cost of living is handicapped by the weight of "fapi" or national currency.

U.S. Marine Sentry Attacked in Peiping

A member of the United States Marine Corps on sentry duty at the gates of the American Embassy in Peiping was shot at by an unknown assailant and badly injured in the right foot around midnight on Oct. 27, according to a **United Press** report.

The assailant, believed to be an Oriental, fired four revolver shots at his victim from behind. The American, though injured and in pain, brought his rifle to his shoulder and emptied the magazine of five bullets, but was unable to state whether any shots struck the would-be assassin, who fled into the darkness.

A Japanese **Domei** version of the incident said it was "believed" that the gunman was "a Chungking agent acting under orders to create an incident unfavorable to Japanese-American relations."

The shooting took place in the Legation Quarter, which is outside the jurisdiction of the puppet police in Peiping, but the police and the Japanese military were reported to be making every effort to track down the gunman.

Germans Capture Kharkov as Drive into Ukraine Deepens; Battle for Moscow Still Raging

FAR EAST RED OFFICERS SAID MOVING WEST

More than half of the staff attached to the headquarters of the Commander-in-Chief of the Red Army in the Soviet Far East have been ordered to the European front, a Domei report from Harbin asserted on October 24. The agency said there were insistent reports of unrest in the ranks of the Soviet Far Eastern Army due to news of Soviet setbacks on the Western Front and that the authorities had halted the forwarding of mail matter to the Far Eastern Army from field post offices in European Russia, at the same time rigorously censoring ordinary mail matter.

The important city of Kharkov, one-time capital of the Ukraine and southern terminal of one of Russia's most vital railroads, was captured by German troops on October 24 in a drive forward from Poltava which had fallen four weeks previously.

Loss of this city coincided with an announcement from Kuibyshev, temporary Soviet capital to the east of Moscow, that there had been a wholesale shake-up in the Red High Command. Marshal Semion Timoshenko was relieved of his command of Moscow's defenses and shifted to command of the southern front, replacing Marshal Semion Budenny. The future defense of Moscow was entrusted to General Gregory Zhukov, commander of the Moscow garrison, who in turn is understood to be subordinate to Dictator Joseph Stalin.

Another change was the removal of Marshal Klementi Voroshilov from the command of the Leningrad front. His successor was not disclosed. Both Marshal Voroshilov and Marshal Budenny, it was announced, had been charged with the task of organizing new armies.

Unfavorable weather, with snow and sleet turning the battle terrain into a quagmire, have slowed down the German advance on Moscow, it was admitted in Berlin, but in spite of this obstacle the Germans succeeded in making additional headway at various points on the arc-shaped front before the Soviet capital. London military quarters stated in the middle of this week that the Germans were possibly within 38 miles of the city at some points.

Berlin predicted that the German advance would resume its rapid pace as soon as a change in the weather, bringing the first hard frost, hardened the ground and enabled their mechanized forces to move more swiftly.

Meanwhile, the Germans in a swift movement to the northeast of Tagonrog on the north shore of the Sea of Azov, were reported to have advanced to the outskirts of Rostov-on-Don, important heavy industry center and gateway to the Caucasian oilfields. Rostov is also the southern terminal of one of the three vital railroads which connect southern Russia with Moscow. If it falls, the war economy of the Soviet Union will have sustained another severe blow.

At Kiev and Odessa, the German army of occupation has been having a difficult time due to the belated explosion of mines planted by the Red Army before abandoning those cities.

At Odessa, **Havas** reported from Bucharest on October 24, an "infernal machine" planted by the retreating Russians in the building of the G.P.U. (Soviet secret police) exploded the previous day, instantly killing General Glugosyanu, the Rumanian governor, 50 of his officers, and two officers of the German Reichswehr. The occupying Rumanian forces had made their headquarters in the building. The infernal machine was connected to a water faucet and was apparently set to explode when the water was turned on. The explosion completely demolished the building and rocked the entire city.

Four days later according to another **Havas** dispatch from Bucharest, the Odessa opera house was blown up by a delayed action bomb. It was described as one of the most beautiful buildings in the city, being modelled after the Paris opera house.

On October 26, **Havas** again reported, the Ukrainian city of Kiev (what was left of it after the Russians applied their scorched earth policy) was destroyed when a series of land mines exploded. The city was shaken by a succession of blasts throughout the day as German sappers endeavored to render concealed mines harmless. Kiev was occupied by the Germans on September 19.

The effectiveness of the scorched earth policy in Odessa was described by the Berlin correspondent of the Madrid newspaper **Informaciones** who recently made a tour of the ruined city. Columns of smoke from burning buildings rose high above Odessa for four days after the Russians set fire to it, he said. When he approached the city, he witnessed wild scenes of disorder and chaos which deepened at every step. Not a single telegraph pole was standing. Houses and buildings were just hollow shells. There was not a single window pane to be seen anywhere.

The streets, he continued, were encumbered with overturned vehicles which had formed barricades. Railway lines in and around the city were completely destroyed and railroad cars overturned and piled together to form barricades that were never used. A big drydock in the harbor had been blown up. In general, there was nothing left of Odessa but piles of sheet iron, twisted steel girders, wrecked vehicles and other debris. The Germans, he said, had located and rendered harmless 10,000 land mines. There were still 600,000 people in Odessa, the correspondent concluded, and they were all happy that the terrible days of siege and fighting were over.

With Soviet Russia's military position being steadily weakened by the loss of industrial centers and sources of raw materials, the clamor in England for the creation of a second front against Germany is continuing. A demonstration of 10,000 people in Trafalgar Square, London on October 26 sent a resolution to Prime Minister Churchill demanding diversionist action against the Nazis to relieve the German pressure on Russia. The demonstrators also demanded removal from the War Cabinet of Lord Halifax, the British Ambassador to Washington, Lieut.-Col. J. T. C. Moore Brabazon, Minister for Aircraft Production, and Captain Margesson, Secretary of State for War, who were saddled with responsibility for British policy which was "letting the Russians down." Miss Ellen Wilkinson, Parliamentary Secretary to the Ministry of Home Security, was shouted down by the crowd when she attempted to speak.

The present British Government has no intention of attempting an invasion of the European Continent. This was made clear in the House of Lords on October 22, when Lord Moyne, Colonial Secretary, in reply to a proposal by Lord Strabolgi, asserted that any such attempt would be madness as it would denude England of the army needed to resist invasion.

On October 24, Mr. William C. Bullitt, former American ambassador to France, addressed a meeting at Philadelphia and criticized President Roosevelt for not having done enough or gone fast enough to meet German aggression. He urged an immediate declaration of war on Germany by the United States.

This attitude was contested the day previous by Mr. John Cudahy, former American ambassador to Belgium, when testifying before the Senate Foreign Relations Committee on the bill to amend the Neutrality Act and permit the arming of American merchant ships. British military leaders, he said, were convinced that the war could be won only by an invasion of Germany, and that would require the dispatch to Europe of an American Expeditionary Force of at least 8,000,000 men, whereas only 2,000,000 men went over in the last war. Such an undertaking, he asserted, was quite impossible and the United States should refrain from getting any nearer to a war which it was not in a position to wage unto victory.

Hot Feet for Tyrants

The Chicago Daily News.

THE CENTRAL TRUST OF CHINA

HEAD OFFICE:

CHUNGKING

WITH BRANCHES AND SUB-BRANCHES THROUGHOUT CHINA, THE TRUST IS WELL EQUIPPED TO TRANSACT TRUST BUSINESS OF VARIOUS KINDS, INCLUDING SAVINGS, INSURANCE, EXPORTS, ETC.

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TELEGRAPHIC ADDRESS:

5665 CHUNGKING

U.S. Trade Killed In French Indo-China

The activity of the Japanese Army in French Indo-China, which allegedly has caused the closing of American business firms, was described in a report from Hanoi which appeared in **The China Press** on Oct. 24.

American business firms in Indo-China have begun closing their doors following a long and losing battle with the Japanese Army over several million dollars worth of confiscated goods, the report said.

Last January, the Japanese Army at Hanoi and Haiphong began holding up the movements of foreign goods through or into Indo-China, under the alleged pretext of preventing war materials from reaching China as well as preventing Chinese products from entering Indo-China, the report said.

17 Companies Affected

No less than 17 American companies were affected, the report asserted. One (the United States Far Eastern Trading Corp.) itemized $2,700,000 worth of goods which were held in Hanoi and Haiphong while storage charges and losses through deterioration were borne by the owners, added the report.

This corporation had in storage machinery, trucks, motor vehicle parts, tires and tubes, metal products, petroleum products, medicines and chemicals. Included in cargoes belonging to 16 other companies were oil, automobiles, sewing machines, motion pictures, engine parts and air-conditioning apparatus. The warehouses containing these articles were sealed, and no one was permitted to enter.

The Japanese tried to persuade the French government-general to requisition the goods, and then to give or sell them to the Japanese.

U.S. Embassy Protests

The United States Embassy at Tokyo protested, but the Japanese foreign office flatly denied any interference with the transportation of goods. The American protest cited instances where re-export permits had been granted by the French, but countermanded by the Japanese Army. The foreign office at Tokyo insisted that there was no blocking of the shipment of American cargoes, the report said.

In one case, the Japanese halted 35 cases of American imports which were consigned to the American consulate at Kunming, and to the U.S.S. Tutuila, stationed at Chungking. The Japanese declared that they would be passed only after being opened and inspected—particularly those cases addressed to the gunboat Tutuila.

On May 25, American companies were asked to hand over the keys to the warehouses. The Japanese broke into the warehouses and began removing the goods while Japanese fighter planes soared low overhead and machine-guns were mounted at various strategic points in the streets.

The American companies then attempted to obtain release of their merchandise, presuming that the Japanese would inspect and evaluate it—as they had said was necessary—and then return it. Some of the companies are still trying to get their goods, or the cash for them. The others are shutting up shop.

There is some information, not wholly confirmed, that indicates the Japanese did two things with the confiscated material; (1) sent the petroleum and some machinery to the island of Hainan, a hop-off point in the ocean, or (2) repacked the goods, stamped them with Japanese labels, and sent them to Saigon for sale.

The traveller should not forget,
For no one will deny it,
Digestion often is upset,
By change of air and diet.
Take Pinkettes!

Avoid the upsets which sometimes result from change of food, change of air and change of the mode of living, by taking Pinkettes, the splendid liver regulator and laxative. These tiny pills act in a thorough yet gentle way, they do not gripe or purge. For constipation and its resultant ills; biliousness, sick headache, impaired digestion, flatulence, bad breath, pimples, there is no better remedy. Get a vial of Pinkettes to-day, obtainable at all chemists. Whether on land or sea, for fitness sake

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President Liners Not Calling Here

It was announced late last week by the local office of the American President Lines that five of their ships which were scheduled to arrive in Shanghai from the United States up to November 15 would proceed only as far as Manila, cutting out the Hongkong and Shanghai calls and isolating this city from the United States for an unprecedentedly lengthy period.

The vessels whose schedules have thus been altered are the Presidents Taylor, Van Buren and Madison, and also the Generals Tasker H. Bliss and Willard S. Holbrook which formerly were the Presidents Cleveland and Taft and now are U.S. Army transports. The President Madison was recalled to Honolulu when 1,400 miles on her way to Manila, to receive sailing orders, and resumed her voyage from Hawaii on October 24, with Manila as her final Far East destination.

Whether calls at Shanghai will be resumed by President ships after November 15, the A.P.L. office did not know. It is generally believed that unless there is a relaxation of tension in the Pacific, Shanghai will continue to be without shipping communications with the United States.

Passengers booked to proceed to the United States on the ships whose schedules have been altered, are being sent to Manila to make connections insofar as this proves possible. Last week, the A.P.L. was sending some passengers to Manila by the French liner d'Artagnan of the Messageries Maritimes company, but there are many for whom accomodation cannot be secured.

An immediate consequence of the cancellation of scheduled calls at Shanghai by President liners was a sharp increase in the prices of imported American commodities, due to the expectation that it will not be possible to replenish existing stocks. Items of which dealers are running short include typewriters and automobiles, canned foods, toilet articles and pharmaceuticals.

The situation as regards mails is even more serious. Only mail sent to Hongkong by trans-Pacific Clipper and then to Shanghai by coastal ships is now arriving here, while mails destined for the United States are piling up high in the post office. People in Shanghai are beginning to wonder whether there will be any Christmas mail—incoming or outgoing—this year.

U.S. Has Huge 1942 Shipbuilding Program

American shipyards will in 1942 build 6,500,000 tons of ships, Admiral Emory S. Land, chairman of the U.S. Maritime Commission, declared in San Francisco on October 24. Total ship losses since the beginning of the war, he said, were 8,000,000 tons, and American shipbuilding at present is greater than British and Allied losses.

The Commission last week called for designs and bids for 100 oil tankers to be built of reinforced concrete, reminiscent of the "floating stones" constructed during World War I. They are cheaper and quicker to build than ships of iron and steel. It is estimated that they can be turned out at the rate of 20 a month.

Two Chinese Sentenced Here for False Testimony

Found guilty of perjury in the First Special District Court for giving false evidence to the court in favor of a convicted trolley conductor, Wong Wei-chen, who is serving life sentence in Ward Road jail, for causing the death of a passenger, two Chinese were given a sentence of six months each on Oct. 22.

The two accused, who appeared at the trial of the conductor as witnesses, were Nyung De-fah, bean-curd seller, and Nie Pao-li, conductor 393 of the local tram company.

It will be recalled that the convicted conductor Wong pushed a passenger, Hung Tung-chuen, off his trolley during a quarrel over a ticket. Wong was arrested on Sept. 13 when the passenger died due to injuries sustained in the fall. During the trial of Wong, Nie allegedly instigated the bean-curd seller to give false evidence.

Nyung told the court that the passenger fell off the tram through his own negligence. He was found guilty of perjury when evidence supplied by two students and a schoolmaster proved the contrary.

500 Japanese Said Departing from P. I.

Five-hundred Japanese nationals will leave the Philippines within a fortnight, **United Press** quoted authoritative quarters in Manila as stating. More than 1,100 Japanese have evacuated Manila in the past three months.

The majority of the evacuees will leave November 9 on board the Hakone Maru which will be the first Japanese vessel to call at Manila since August. Others will travel on the Marechal Joffre early this month to Shanghai, the report said.

Who's Who in China

Dr. T. P. Wu (Wu Ta-p'iao), chest diseases specialist, born in Poerwokerto, Java, N.E.I., 1903, M.B. and B.S., Hongkong University, 1928; post-graduate work in London, Berlin, Hamburg and Vienna, 1929-31; clinical assistant, Park Sanatorium, Hongkong; serving in the

T. P. Wu

吳連春醫師

Universitat Institute for Physikalische Therapie, Zurich; chairman, Public Health Committee, Kuling, Kiangsi; medical adviser, Bureau of Administration, Lushan, Kiangsi; general administrator and physician, Ching Chong Memorial Hospital, Shanghai; chairman, Committee on Tuberculosis, Chinese Medical Association; now president, Chinese Tuberculosis Society; honorary secretary-treasurer, Chinese Medical Association, Hongkong branch; honorary secretary, Hongkong Anti-Tuberculosis Association; author "Facts about Tuberculosis," "The Problem of Tuberculosis in Hongkong," and "Atelectasis in Pulmonary Tuberculosis." Office, Alexandra Building, Des Voeux Road, Hongkong; Residence, Villa Ellenbud, Sassoon Road, Hongkong.

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DISINFECTING FLUID

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增進健康

防疫消毒

INTERNATIONAL DISPENSARY, LTD.

SHANGHAI

PEOPLE IN THE NEWS

Mrs. Eleanor Roosevelt, wife of the President, announced on October 21 that the entire winter program of formal parties at the White House had been cancelled due to the seriousness of the times.

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Wallace Carroll, manager of the **United Press** bureau in London, who accompanied the British and American missions to Moscow, is expected to arrive in Chungking by Sino-Soviet airline shortly, on his return trip to the United States.

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Stanislav Minovsky, well-known diplomat, has been appointed Czechoslovakian minister to China, according to an announcement in Chungking on October 25. Mr Minovsky was born in 1887 and served as a captain in Czech legions in Serbia, Russia and France in World War I. He is said to be on his way to China.

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General Lazaro Cardenas, former President of Mexico, was reported last week to be gravely ill with malaria fever. He preceded the present President, General Avillo Camacho, and it was under his regime that American and British oil properties in Mexico were expropriated.

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The Australian Minister to Japan, Sir John Latham, who departed from Tokyo some time ago on home leave, became ill and was operated on in a Singapore hospital according to report from Melbourne on October 21. He was returning to Australia for conferences concerned with the crisis in the Far East and departed on the ship carrying a large number of British evacuees from Japan.

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Lieut.-Col. James Stewart, formerly of the Royal Engineers, stationed in China, was awarded the George Cross decoration, according to report from London on October 21. While in China, Col. Stewart was awarded the Empire Gallantry Medal (June 26, 1928) in recognition of his action in tracing the whereabouts of a British officer who had been kidnapped in the mountainous region northwest of Peiping.

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John Morris, manager of the **United Press** in the Far East, is expected to return to Shanghai early in December, according to information received by the local U.P. office last week. Mr. Morris was married recently to Miss Tittman, a niece of Judge and Mrs. Milton J. Helmick. Judge Helmick, who returned home to attend the wedding, is also expected to return to Shanghai shortly.

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Prof. J. Lossing Buck, former husband of the famous novelist Pearl Buck, was married on October 23 to his Chinese secretary, Miss Chang Lo-mei. Prof. Buck, who was formerly connected with the U.S. Treasury Department, is now Professor of Economics at Nanking University, which is located at Chengtu, capital of Szechwan. Prof. Buck is regarded as one of the leading American experts on agricultural economics in the Far East.

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John M. Allison, American Consul at Osaka, arrived in Shanghai this week on a short vacation. Mr. Allison previously served in the American consular service at Shanghai, Dairen, Tsingtao, Nanking and elsewhere in China and also at the American Embassy in Tokyo, where he studied the Japanese language. Mrs. Allison is now visiting relatives in Pennsylvania, where Mr. Allison hopes to join her in January.

The first American citizen serving in the British Navy to lose his life was Lieut. John S. Parke of Boston. He was a member of the Royal Navy Volunteer Reserve and was aboard the destroyer Broadwater, which was one of the 50 American warships transferred to Britain. It was sunk by a German U-boat and was the second of the former American warcraft to be sent to the bottom. The Broadwater was the former U.S.S. Mason and was built by the Bethlehem Shipbuilding Corporation of Quincy, Mass.

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Sam Titlebaum, former Deputy U.S. Marshal in Shanghai, who received a five-year term in McNeill Island for selling revolvers belonging to the U.S. Court and falsifying the records in connection with his application for the position of Deputy Marshal, departed from Shanghai this week aboard the French liner D'Artagnan, en route to Manila where he will be lodged temporarily in Bilibid Prison. He will then be taken aboard the steamer Holbrook bound for San Francisco. Titlebaum will be accompanied on the homeward journey by Claude T. Mense, an American, who recently retired from the Police Force of the International Settlement, and is returning to the United States to reside. Mr. Mense was sworn in as Titlebaum's official escort by William T. Collins, Clerk of the Court, following approval by Judge Nelson E. Lurton and District Attorney Leighton Shields. Mr. Mense served in Cuba and the Philippines in the Spanish-American War and accompanied the British Military Mission to Siberia during the World War.

K. C. Li, well-know Chinese businessman in New York, has been named general manager of the three leading Chinese government exporting organizations, the Foo Shing Trading Corporation, which exports wood oil; the China Tea Exporting Company, and the Foo Hwa Trading Corporation, which exports pig bristles. Mr. Li recently was in Chungking, but is now en route to the United States. He has been engaged in business in New York for many years.

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R. S. Hubert, who was connected for several years with the Canadian Pacific Steamship Company and recently was one of the promoters of the Nine-Fifteen Club, departed for the United States on leave last week, where he will join Mrs. Hubert, who has been in the United States for some time. Prior to his departure, Mr. Hubert was presented with a silver cigarette box by the officers of the Nine-Fifteen Club. Mr. Hubert was widely known in the Far East as an amateur photographer of scenic beauty in both the Far East and in Canada and the United States.

•

Nina Federova, former Russian woman resident of Tientsin, who wrote the best seller, "The Family," which won the US$10,000 **Atlantic Monthly** prize in 1939, is now working on another novel, a sequel to her first, which is scheduled to appear in January. Miss Federova has been described as the "most significant" foreign novelist to come out of the Orient since Pearl Buck. Mrs. Riasanovsky, who writes under the name of "Nina Federova," resided in Tientsin for many years. Her novel dealt with life in a Russian boarding-house in one of the foreign concessions in Tientsin.

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Cary Scott, clerk of the U.S. Embassy in Tokyo, died of a heart ailment on October 23. Mr. Scott was born of missionary parents in Osaka in 1892 and served with the U.S. Marines in World War I. He is survived by a sister residing in the United States.

*

Four additional members of the American Military Mission, headed by Brigadier-General John Magruder, arrived in Chungking on October 23. The new members were Lieut-Col. W. H. Soderholm, Sergeant-Major C. Bardenhagen and Sergeants Ray F. Chesley and O. R. Venzke. Brigadier-General Magruder and a number of staff officers arrived in Chungking recently. An account of the American Military Mission appeared in **The China Weekly Review** on October 18.

*

Nathan Lasky, widely-known Jewish resident of Great Britain, died in a hospital in Manchester on October 21, following a motor car accident in which he suffered a broken leg. He was 78 years old and was the father of Neville Laski and Harold Laski. He was the oldest member of the Jewish Board of Deputies, a former treasurer of the organization and in addition was chairman of the Palestine Committee and a representative of the Jewish Agency for Palestine.

*

It was announced at Ottawa on Oct. 25 that Canada was making preparations to exchange ministers with China. The Canadian Ministry of External Affairs had not yet announced its choice for Minister to China but it was thought that the choice would fall on one of two men, Dr. R. H. K. Keenleyside, Associate Deputy Under-Secretary of State, or Dr. Henry Forbes Angus, Professor of Economics at the University of British Columbia.

*

George Lai Kwong Chan, member of the staff of the Shanghai Telephone Company, died at Lester Hospital, Shanghai, on Tuesday, October 21. His death was due to typhus fever after an illness of only a few days. Mr. Chan was born at Swatow and went to the United States in 1913 to study at Washington University, Seattle, where he received the degrees of B.A. and M.B.A. After working in various industrial establishments in the United States, he returned to China in 1933 and was appointed professor of economics at Fuh Tan University, Shanghai. Later he joined the Ford Motor Export Company, but in 1935 resigned to join the Shanghai Telephone Company. He is survived by his wife, Mrs. Ann Chien Chan and five children. The funeral service was held on Saturday, October 25 at the Kiaochow Road Chapel. The service was conducted by the Rev. I. H. Young.

*

Judge Nelson E. Lurton of the U.S. Court for China ruled on Oct. 28 that the certificate of incorporation of Industrial Products Corporation, Fed. Inc., be dissolved and that privileges as a China Trade Act corporation be forfeited. Costs of the action were to be recovered by the plaintiff. The case was heard by default. The action was brought by A. Bland Calder, U.S. Consul and Acting China Trade Act Registrar, who was represented by District Attorney Leighton Shields, who prosecuted on behalf of the Government. Mr. Calder stated that the firm had shown in its report for 1939 that it had lost $24,000 and only possessed assets of $1,340 in real estate. Office fixtures were valued at only $178. N. F. Allman and P. F. Kops, foreign directors of the Industrial Products Company, each possessed 500 shares, while P. H. Wu held 9,000 shares. L. H. Oong was vice-president of the Company. Judge Lurton stated that the directors apparently planned to permit the concern to "die a natural death."

Kumaichi Yamamoto, chief of the Far Eastern Bureau of the Tokyo Foreign Office, has been named to serve concurrently as chief of the American Bureau. Otoji Saito, chief of the Overseas Bureau, has been appointed Councillor of Embassy at Bangkok.

*

Mr. Hsu Liang, new Nanking Ambassador to Tokyo, departed on Wednesday of this week for Peiping, where he will confer with officials of the North China regime, prior to proceeding to the Japanese capital to assume his duties.

*

T. H. Koerner, manager of Haskins and Sells, certified public accountants, departed this week for Peiping, where he will make an audit of the accounts and properties of the Peking Union Medical College (Rockefeller Hospital) and other properties of the China Medical Board in the former Chinese capital city. Mr. Koerner will be absent in North China for several weeks.

*

Dr. Juan Marin, Charge d'Affaires and Consul-General for Chile, has been elected an honorary member of the Shanghai Medical Society. Dr. Marin is a graduate physician and has had long experience in the practice of surgery. He formerly was Professor of the History of Medicine at the University of Chile in Santiago.

*

A Japanese sentry at Siccawei, adjoining the French Concession, shot and seriously injured a Chinese villager, because the man was carrying a small parcel of raw cotton which he apparently intended to sell in the French Concession. The Japanese claim the man was trying to climb over the barbed-wire fence. The Japanese sentry fired, hitting him twice and causing him to fall into Siccawei creek. His body was recovered later, his hand still clutching the bag of cotton.

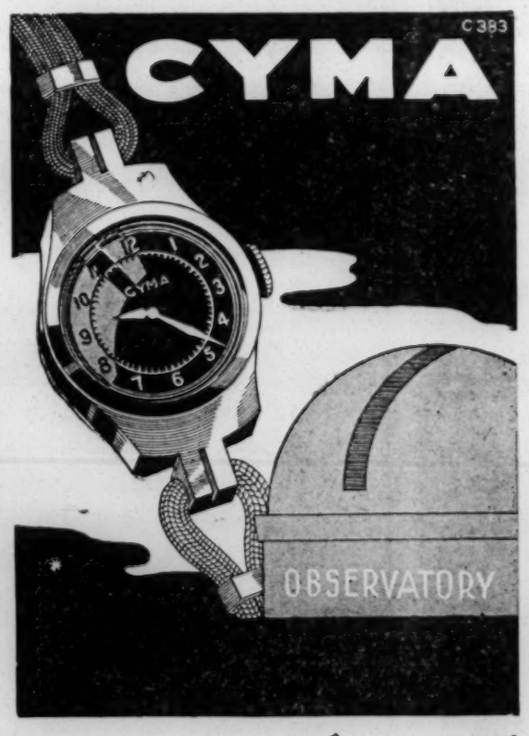
Sir Frederick Eggleston, first Australian Minister to China, presented his credentials to President Liu Sen at National Government House, Chungking, on Oct. 29.

*

The real object of the trip of Mr. U. Saw, Prime Minister of Burma to London, was to induce the British authorities to grant Dominion Status to Burma, according to a report published in Madrid on Oct. 28. The report quoted Mr. Saw as declaring that the Burmese were qualified to control their own affairs and were entitled to Dominion Status for their country, which he hoped would be granted after the war.

*

Citizens of Czechoslovakia residing in Shanghai celebrated the national anniversary of their country on October 28. The celebration was held at the Czechoslovakian Circle, 218 Avenue du Roi Albert, in the French Concession. On the preceding evening, Major J. Stephan, Provisory Delegate in Shanghai, delivered an address in which he described conditions prevailing in Czechoslovakia, which were brought about by the Nazi occupation. He urged the local community to keep in mind the greatness of their country. The celebration of the anniversary included a reception at the Cathay Hotel and a radio broadcast by Major Stephan, followed by a special Czechoslovakian program, entitled "Land of Ours," in the evening. Major Stephan declared that the Czech peoples had defended themselves against German aggression for more than a thousand years. He served in the Russian army against the Central Powers in the first world war, and was appointed to the Czechoslovakian consular service in the Far East by Dr. Eduard Benes in 1923, serving at Harbin, Peiping and Shanghai.



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EVENTS IN BRIEF

Madame Chiang Kai-shek returned to Chungking on Oct. 26, following a trip to northern Hunan, where she inspected the battlefields about Changsha where the Japanese recently were routed and

Madame Chiang Kai-shek

forced to withdraw, following a brief occupation of a portion of Changsha. Madame Chiang was accompanied by Madame Hsueh Yueh, wife of the commander who was largely responsible for the Japanese defeat. While in Changsha, Madame Chiang distributed $200,000 to wounded Chinese soldiers and $100,000 to frontline troops on behalf of the Chungking Women's Association, which had raised the money.

•

The Japanese announced on Oct. 21 that work on the new Woosung harbor had progressed to a point where 20,000-ton vessels could be accommodated. The area covered is 1,000 meters long and 370 wide.

•

Pan-American Airways announced at San Francisco on Oct. 24 that an air-mail, passenger and express service would be started on Oct. 30 to operate between San Francisco and Suva, capital of the Fiji Islands. Clipper planes on the California-New Zealand run will also stop overnight at Suva, according to the announcement.

•

The American Hospital for Chinese Refugees, operated under the auspices of St. Luke's Hospital, announced this week that 549 patients were admitted in September, making a total of 894 treated in the month. The hospital also reported 79 births, 80 deaths, 261 operations and 5,154 laboratory examinations during the month. Ailments included typhoid, dysentery and malaria. Most of the funds for the support of the institution come from philanthropic organizations and individuals.

The directors of the Central British War Fund in Shanghai on Oct. 24 handed a check for CN$75,000 to the Shanghai branch of the Moscow Narodny Bank, with instructions to remit same to the Russian Red Cross Society. The director of the Narodny Bank expressed deep appreciation to the British community for the donation.

•

A Chinese toy manufacturer named Shih Su-hung, proprietor of the Wan Ju Industrial Society, was arrested by the Municipal authorities, upon complaint of the Japanese, on Oct. 23, and charged with the "crime" of fashioning some of his paper toys to resemble anti-Japanese characters. Mr. Shih's factory is located at House No. 8 Lane 285 Shanghaikwan Road. He is still being held at Central Police Station, pending completion of an investigation by the Japanese authorities.

•

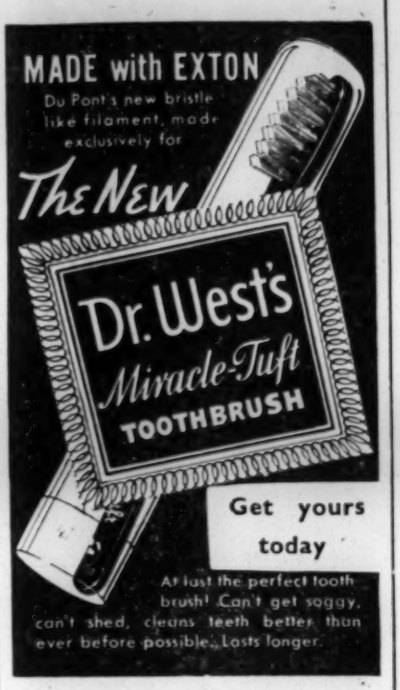
The Japanese financial mission, headed by Toyotaro Yuki, president of the Bank of Japan, which was dispatched on a tour of investigation to Manchuria, North China and Shanghai some time ago, received orders to cut short the trip and return to Japan. The orders were received after the mission had reached Peiping following an inspection of conditions in Korea and Manchukuo. The mission included some of the leading financiers in Japan and its object was to make a special study of the relationship between Japanese currency and the various puppet currencies, which are backed by yen.

•

Italian Catholic missionaries who were deported from Changsha following the reoccupation of that city by the Chinese military, arrived at Kweilin, Kwangsi province on Oct. 24 and are now being questioned by the southwestern headquarters of the National Military Council, according to a **Reuter** report from the Kwangsi capital. It was alleged that the Italians engaged in subversive activities following the occupation of Changsha for a period of four days, and that this made it necessary to investigate. The Catholic bodies in Kweilin urged the Chinese authorities to release the Italian priests.

•

The Japan Nitrogenous Fertilizer Company of Osaka announced on Oct. 23 that work would be started immediately on a "giant" ammonium-sulphate plant in North China. The plant was authorized by the China Affairs Board of the Cabinet Planning Board and will be a subsidiary of the Japanese-owned North China Development Company. The new plant will be based on the nitrogen fixation system and probably will be built in the vicinity of Tsinan, capital of Shantung province. The enterprise will be capitalized at Yen 400,000,000, stated the report.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The financial campaign being conducted by the Y.W.C.A. this year to obtain funds for the activities of the organization, has been more successful than expected, according to a report early in the week. It stated that some 150 team workers had obtained more than $100,000 in cash contributions and $80,000 in pledges. Part of the money will be used for the construction of a new building.

*

A further increase in postage rates will soon be announced by the Chinese Government, according to **Reuters** from Chungking on Oct. 25. The new rates will be as follows: Local mail, 8 cents in place of the present 5 cents; domestic mail 15 cents in place of the present 8 cents; registered mail 25 cents in addition to the normal postage rates; express mail 15 cents additional; express registered, 40 cents in addition to the usual rates.

*

Prof. R. H. Tawney, well-known British author and lecturer and teacher of economic history at the University of London, has been appointed political, economic and sociological adviser to the British Embassy in Washington. Professor Tawney is the first man to hold this position and his duty will be to interpret to the American people the political and economic trends in Great Britain during wartime. He has been lecturing in the United States and according to announcement in London will complete his present tour prior to assuming office at the Embassy. He is a graduate of Rugby, Balliol College, Oxford and was an assistant at Glasgow University. He has been a member of the consultative committee of the Board of Education and is a member of many learned societies. The report of his appointment stated that he probably would remain in Washington for six months and in the event of his return to London another permanent appointee would be named.

*

The Japanese police authorities in Tokyo still refuse to disclose the reason for the arrest and continued detention—without trial—of two Britons who were arrested some time ago. The Britons are J. D. Mason and J. G. Martyr (or Matyr), both of whom were members of a prominent club in the Japanese capital. It also was announced in London on Oct. 23 that the British consular authorities in Tokyo had been unable to interview the men. Anthony Eden, Foreign Secretary, in reply to a question in the House, said that the only information available in Tokyo was that the men had been arrested under the "recently-amended Japanese defense law." He said that Sir Robert Craigie had been instructed to make an energetic inquiry regarding the status of the arrested men and to demand their early release. Geoffrey Mander, Opposition Liberal member, said that since the Britons had been imprisoned more than a month without trial, the only course the Japanese would understand was "absolutely firm action."

The Chinese National Government at Chungking may shortly create a "Ministry of Land Administration," according to report this week stating that the Preparatory Committee for Readjustment of the Land Tax would hold its first meeting on Oct. 27. According to articles in the Chungking papers, the Committee may shortly be reorganized into a Ministry, which will be headed by a member of the Central Executive Committee of the Kuomintang.

*

The American Iron and Steel Institute announced at New York on Oct. 23 that the output of steel in the United States had reached the record figure of 66,981,000 tons, which was nearly equal to the entire production of last year. Production for the remainder of this year, barring strikes, was expected to raise the year's output to 82,000,000 tons, which practically is equal to the production of all other countries combined.

*

The Fourth Regiment, U.S. Marines, stationed in Shanghai, has found a new club-house to replace the palatial quarters on Bubbling Well Rd. which they were forced to evacuate due to the purchase of the property by the Shanghai Jewish Club. The new Marine Club will be located in the building of the Army and Navy Y.M.C.A. on Szechuen Road. Under the new arrangement, the Marine Club will stage movie shows on Mondays, Wednesdays and Fridays, with dances on Saturday nights.

*

The arrangement recently concluded between China and the United States for American help in the rebuilding of the Chinese air force, provides for the training of large numbers of Chinese pilots in the United States, according to recent reports from Chungking and Washington. According to a message from San Francisco, more than 100 youthful Chinese students recently arrived there from Hongkong and were awaiting assignment for training as war pilots under the direction of the U.S. Army Air Corps. It was expected that they would fly the war-planes which are now in process of manufacture in various American airplane plants over the country. The financing of the planes as well as the training of the pilots was provided in the last lend-lease appropriation. Secretary of War Stimson announced on Oct. 24 that the U.S. Army was also training some 30 Chinese mechanics who had arrived in the United States, and that 24 additional mechanics now in Hongkong would also proceed to America as soon as shipping space was available. A recent dispatch from Chungking stated that the National Government was recruiting aviation students from all parts of the country. According to the announcement, applicants should be college students or graduates and should be between 18 and 23 years of age. A special effort is being made to obtain applicants from Shanghai, stated the announcement. The training includes courses in gliding at the gliding school in Chengtu.

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New Books of Interest in the Far East

She Missed Shanghai

EUROPE IN THE SPRING—By Clare Boothe. Published by Alfred A. Knopf, New York, 1941.

Clare Boothe, American author and playwright who recently visited Chungking, should have visited Shanghai before leaving the Orient.

This statement is made after reading her latest book, "Europe in the Spring," copies of which recently reached Shanghai—so recently, in fact, that the book pirates haven't yet had a chance to reprint it. It has 324 pages set in 12 point and may be read in a few hours. However, it is so well written, so interesting and so searching in its comment that most persons will not want to lay it down until they have read her description of conditions prevailing in Europe just prior to armageddon, meaning the launching of Hitler's blitzkrieg into Belgium, Holland and France.

It should be explained at the beginning that Clare Boothe is the wife of Henry Luce, editor of Time, Life and Fortune who recently visited China's wartime capital—which explains the writer's statement that she should have visited Shanghai, because the same type of mentality which she describes as prevailing in France and England just before Hitler started on his mad drive for world domination, is to be found here.

The chief value of the book for readers today, particularly in the United States, the British dominions and a few isolated spots—including the Shanghai International Settlement—which haven't yet been scorched, is that men of intelligence, if there are any left, may read and heed and take steps to prepare themselves for resisting this foul thing which the German Nazis have unleashed on the world. There are so many references in the book, serious and humorous, that remind one of Shanghai mentality, that one wishes for more space to reprint them. This one, however, does not refer to Shanghai, but is an excellent example of the author's wit: Referring to Mussolini's work in restoring ancient monuments in Rome, Miss Boothe quoted a remark of a business man that "Mussolini is the Killeyoo Bird of Europe." And what is a Killeyoo Bird? she inquired. He explained: "The Killeyoo Bird flies backwards because it doesn't care where it's going; it just wants to see where it's been." She then told how in 1932 Il Duce had mounted four great plaques which served as an outspoken advertisement in Rome of Mussolini's Empire psychosis. The plaques were mounted on the walls of the Basilica of Maxentius and were maps showing how mighty Rome was before she dwindled.

Miss Boothe also cited one pointed reason why Mussolini got in on the side of Hitler. She said that the Romans didn't worry the way the Parisians and Londoners did, about being bombed. The Romans knew instinctively that no Christian country was going to drop bombs in the purlieus of St. Peter's and the Pope. But that proved to be an important augument for Mussolini to get in on Hitler's side. Hitler might not be so squeamish about blasting the Rock that God had founded his church on.

She compared Mussolini's big talk to Hollywood ballyhoo about the "super-duper-stupendous and greatest spectacle of all times," while at the same time trying to conceal from the brute mass-mind the cheapness and hollowness of their product and their own lust for wealth and power. She said the phraseology was astonishingly similar.

She repeats in four pages the various statements she heard from prominent French leaders about Hitler and his prospects which will be read with mixed feelings, not omitting nausea, by present-day intelligent people—that is, intelligent after the event. The fact that people were so simple-minded as to believe these things probably goes a long way to explain what permitted the German gangsters to get away with it. The silliest of all the syllogisms was this:

"All Germans are stupid.
It would be stupid to attack the Maginot Line.
Therefore the Germans will attack the Maginot Line."

No informed person really thought it, but it was astonishing how many did think it. In other words, the belief seemed to prevail in Paris that if all else failed, then they could depend upon

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inherent German stupidity to save them.

In short, the politicians concluded that the Germans would somehow blunder fatally and thus ensure an Allied victory.

Then there was the useless Paris talk about Hitler's "secret weapon." The French sidewalk-cafe pessimists and the English week-end spoilsports argued that Hitler couldn't have any secret weapon "aside from these dive-bombers and tanks he had used in Poland—which was a weak, unprepared country and couldn't take it anyway."

Miss Boothe said, "Now everybody knows what Hitler's secret weapon was: efficiency. The iron efficiency forged in the fires of fanaticism which turned out 'those nose-dive bombers and tanks' relentlessly, with coldly co-ordinated military strategy, economics, domestic politics, foreign diplomacy, propaganda, espionage, and the will of the people to his one increasing purpose—to conquer."

Hitler hasn't won the war yet—despite the fact that his hordes are on the outskirts of Moscow and the outlook is dark, but in Paris in the spring of the Second World War, the French, fortified by many a logical but false deduction of ultimate victory, marked time and talked, and talked and talked. And as the skeptics might add, "Just as they are doing now in Washington."

That was Paris in March, when everybody who was talking about the war was not really talking about war, but about politics. Miss Boothe remarked that the French in the spring of 1940 were still trying to preserve a peace economy. "A dispropriate amount of France in time, thought and money went into this noble but essentially tragic effort to patch up the framework of 'politics,' to keep the laws of peace when the spirit of it had flown from all of Europe until the day of victory."

After the blow had struck Miss Boothe was still in Paris. An Englishman asked her, "Do you think the French will stick another year or two of this kind of war?" She replied "No **democratic** nation can exist as an armed camp for years and still stay democratic." But the Briton always replied, "We can."

After some caustic remarks about the unhealthy relations of Britain and France, of French hatred of the English for their twenty years of blundering diplomacy which had left France's manhood holding the bag in the fabulously expensive Maginot Line (which France's taxpayers had to build because of those blunders) she remarked that while England may have a head of clay her feet are firm and unfaltering and she believed the angry Englishmen who shouted, "Well, we'll stick it and stay English, have no fear of that."

But in France in April the kettle called the pot black—only in the presence of an American scuttle."

In England in May Miss Boothe heard the oft-repeated remark in the drawing-rooms, "England always loses every battle but the last one." Unfortunately, she remarked, the saying had become the "blue-print of military strategy." Muddling through had become political policy. She remembered a remark she had heard an Italian make, that a "nation which is over-ripe with tradition is over-ripe for ruin." But all Englishmen didn't hold such views; for example the Hon. J. L. Garvin of the **London Observer**, who quoted Lloyd George in the House, "That's the trouble—too late with the Austrians, too late with the Czechoslovakians, too late with Poland—certainly too late with Finland."

One day Miss Boothe was talking with Mr. Joseph P. Kennedy, the American Ambassador, and referred to the smug and often insolent and always cocksure attitude of the British. Mr. Kennedy said, "Please remember, Miss, we Americans can live quite comfortably in a world of English snobbery and British complacency, but we cannot live—I should hate to live—in a world of Nazis and German brutality. Though the British snub us and sneer at us, yet we must love them and aid them, because their heads may be a little thick, but they have the right end of the things we stand for and if they go, we shall be the losers. Above all, they are the only crowd honest men can do business with."

Miss Boothe then recounted an amusing conversation she had with her chambermaid referring to the disastrous campaign in Norway. The English chambermaid said, "'Orrible, but I hear we gave 'em what for: killed millions more of them than they did of ours, and that's certain." I said, "Doesn't it worry you that England lost the campaign? "Aooh," she said, "I dunno. Maybe we wanted to. Hi expect the Government knows what hit's doing."

She then said that although Mr. Churchill made a very fine speech about the "splendid evacuation," so splendid that many of the papers were encouraged to call it a victory, everybody in his heart knew that it was a defeat and that knowledge broke the first faint fissure in the wall of conceit and complacency which was then prevailing.

Back home in the United States Miss Boothe had abundant opportunity to discuss the European situation with her own Americans. She speculated, was the fault not in the politicians, but in the people who elected or re-elected them? Did the people distrust their leaders but fear to change them, or did they change them too often? The reference was to the Roosevelt-Willkie campaign. Referring to the squabble between the C.I.O. and the A.F. of L. she said,

> "Threatened by Nazism, were the labor-unionists and the New Dealers like Blum in France, who it is claimed gummed up industrial production after Munich with a forty-hour week, stupid not to realize that all weeks are one-hundred-and-sixty-eight-hour weeks in a concentration camp? Were the people (oh the people) who fought at every last economic ditch for the proposition that 'the world owes a man a living,' pathetically blind not to see that in certain circumstances it doesn't even owe him life?"
>
> "Was the trouble that in their crisis the French and the English people could not see straight or think straight because they were so bedevilled by Communist propaganda, Nazi propaganda, peace propaganda, war propaganda, all propaganda, so that often they did not know what was false and what was true?"

In her last chapter, every paragraph is a pointed question referring to the American attitude towards the war in Europe. She said, "How many people in America still think of the two oceans as the French thought of the Maginot and the English are still thinking of the Channel? Was the worst error of judgment of the Allies that they thought that Hitler would be satisfied with Austria, then with Czechoslovakia? (Some people were quite sure he would be satisfied with Poland). Are you one of the many people who feel that Hitler would be satisfied with Europe if we let him alone after he has got it? Shall we appease Japan; having aided Japan to conquer China, shall we now recognize her puppet government in Nanking? Or shall we make an alliance with Russia and/or China against her? Or should we enter into a deal with Russia and Japan against China? If we make a deal with Japan, shall we abandon the Philippines by withdrawing our guarantee, which runs until 1946? We say the French and English had no foreign policy. What sort of a foreign policy have we got? So how are we any different from the Allies? Shall we wait for Hitler to attack us? How long shall we wait—one year, two, three, four, five, ten, twenty years? Then finally the simplest, perhaps the most fundamental question of all, are we a more Christian nation than France and England now? "In the end was not the real trouble that the Allies never saw in time anything worth dying for except their shirts or the land they were standing on? And didn't they discover that those who hold this belief paramount often find it easier to save their shirts and their land and property by surrender?"

There is a much more, but no space, hence the reviewer must end with the heartfelt recommendation that the book should be read and without delay.

B. J.

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